VOL 7 No 5 MAY 1977

# SURVEY of Current Affairs


**Government and Administration**

Direct Elections to the European Assembly 179
By-elections 180
British Nationality Law 181

**External Affairs and Defence**

European Community 184
East-West Relations 187
Rhodesia 189
Foreign and Commonwealth Secretary's Visit to Egypt and Syria 190
Defence 191
Shorter Notes 191

**Economic and Scientific Affairs**

International Monetary Fund 192
British Aerospace 193
Offshore Oil and Gas 194
Road Safety 198
Metrication 198

**Social and Cultural Affairs**

Health 201
New Towns and Inner Cities 202

**Documentation** 205

Published for British Information Services by
Her Majesty's Stationery Office, London

*Annual subscription including postage and index £9·28*

The *Survey of Current Affairs* is produced for British Information Services overseas, but in response to requests has also been made available in Britain. Subscription and distribution inquiries should be addressed to Her Majesty's Stationery Office, P.O. Box 569, London SE1 9NH, and editorial inquiries to Reference Division, Central Office of Information, Hercules Road, Westminster Bridge Road, London SE1 7DU. Although the material is Crown Copyright, it may be reproduced without special permission.
Other documents produced by Reference Division if not on sale through Her Majesty's Stationery Office, may be obtained direct from Reference Division on payment of a small charge.

# Direct Elections to the European Assembly

The implications of holding direct elections in Britain to the European Assembly are examined in a White Paper[1] issued on 1 April. It discusses in particular electoral systems that might be adopted for the first such elections.

The purpose of the White Paper, issued jointly by the Home and Foreign and Commonwealth Offices, is to put the issues involved before Parliament and the people of Britain. 'There are fundamental constitutional issues involved in direct elections to the European Assembly', it notes. 'It is the view of the Government that before legislation is introduced there should be debate in Parliament and in the country in which all aspects of the matter are considered.'

In a House of Commons debate on the White Paper, the Secretary of State for Foreign and Commonwealth Affairs, Dr David Owen, said (*Hansard*, 20.4.77, cols. 200-10) that one of the ways in which the European Community could become more relevant to people's daily lives was to involve them in European matters directly through democratic elections. He said that the Government's political commitment was to use its best endeavours to meet the target date for the first elections of May or June 1978 (see below), and 'to avoid a situation in which delays in the United Kingdom put the target date out of reach for the whole Community'.

The Home Secretary, Mr Merlyn Rees, said (*Hansard*, 25.4.77, cols 949-60) that the Government would bring forward particular proposals in the light of views expressed during the debate and in further consultations. He confirmed that MPs would be given a free vote on the issue of the method of election (see pp 143-4).

## BACKGROUND

Article 138(3) of the Treaty of Rome, which established the European Economic Community, provides for elections to the European Assembly to be held on the basis of 'direct universal suffrage in accordance with a uniform procedure for all member states'. For the past 19 years, however, Community member states have appointed members of their national parliaments to the Assembly. Of 198 members, Britain has been entitled to nominate 36.

Community heads of Government agreed in July 1976 that a directly elected Assembly should consist of 410 seats, with Britain, the Federal Republic of Germany, France and Italy each entitled to 81 (see pp 314-6, 1976). In the following September, member states affirmed their intention to hold the first elections in May or June 1978, but in recognition of the possibility that some member states might have difficulty in completing the necessary legislative procedures in time, no binding commitment to that timetable was made (see p 383, 1976). It was further agreed that the electoral procedures for the first direct elections should be governed by the national provisions of each Community member state.

In Britain, the Queen's Speech of November 1976 setting out the Government's legislative intentions for the current parliamentary session expressed the intention to introduce the necessary legislation for direct elections during that session. A Select Committee of the House of Commons, which was established in March 1976, has put forward, in three reports, recommendations on the issues involved in holding a European Assembly election in Britain, and the latest White Paper takes its recommendations into account.

## CONSTITUTIONAL ISSUES

### The Electoral System

The White Paper notes that the electoral system to be used for direct elections 'presents a most difficult issue'. The simple majority or 'first-past-the-post' system used for almost all national and local elections in Britain, together with the associated concept of the constituency, 'should not be changed or curtailed for direct elections to the European Assembly except after the most careful consideration of the present and future implications of such a step'. It points out that party organisations in Britain have developed to reflect the constituency system and that 'whatever form of electoral practice emerges, party organisation and selection of candidates will both be affected by a move to direct elections . . .'.

On the other hand, the White Paper notes, if Britain were to retain its simple majority system, there would be significant differences between its procedure and that likely to be adopted by the other members of the Community, most of which use some form of proportional representation for

[1] *Direct Elections to the European Assembly*. Cmnd 6768. HMSO, 60p. ISBN 0 10 167680 8.

national elections. In addition, an inherent characteristic of the simple majority system was the tendency for swings in electoral opinion to be magnified in terms of seats won or lost. While for Westminster elections, where a Government was being formed, that might be an advantage, 'in the context of European elections it might be regarded as a less desirable feature', especially if, as some studies had suggested, the small number (81) of Assembly seats contested in Britain were to magnify the distorting effect.

The White Paper continues: 'There is the further point that, particularly if Assembly elections fell mid-way between general elections to Westminster, there could be a wide divergence between the balance of power at Westminster and the party composition of the United Kingdom members of the European Assembly . . . in a developing situation it could lead to friction between the Government at Westminster and the UK representatives in the directly-elected European Assembly, or even between the Government and the Assembly itself.'

The White Paper says that it would be possible to resolve some of these problems by adopting a system of proportional representation. 'Since the European Assembly does not constitute a legislature or provide a government, and since its members do not have the same constituency responsibilities as a Westminster MP, proportional representation for the European Assembly might not be open to the same objections as proportional representation for the Westminster Parliament.' It goes on to examine the possibility of introducing a list system or the single transferable vote method – both forms of proportional representation.

*The List System*

The main purpose of the list system is to ensure that total seats won by a political party are proportionate to the total votes cast for that party. Individuals taking the seats are drawn from a published list of candidates drawn up by the political party, in the order listed.

The White Paper envisages that a list system could be based on the whole of the United Kingdom; on Great Britain; on separate lists for their constituent parts; or England could be sub-divided into regions or constituencies, each being allocated a number of seats on the basis of the size of the electorate. It points out that a regional list system might have certain advantages, notably that some of the virtues of the simple majority system, such as the role of the constituencies, could be retained.

It points out that the list system would bring Britain into line with most other Community members and could be brought into operation speedily since even if Boundary Commission procedures were necessary to delineate regions, they would be less elaborate than would be required to define 81 new constituencies. There would, however, be a number of problems. Central or regional party organisations would be given a bigger role in nominating candidates, and 'there might have to be yet another change if, in accordance with the Treaty of Rome, there is in due course a move to put European elections on a common basis, and a different system is then adopted'.

*Single Transferable Vote System*

The single transferable vote (STV) system involves multi-member constituencies with electors voting for as many candidates as they wish in order of preference. The system enables an elector to express a preference not only between different candidates of the party of his choice, but also between candidates of different parties. It would retain constituencies, but they would be much larger than the single member constituencies in a simple majority system of election: the White Paper indicates that Britain's 81 seats might be allocated to about a dozen constituencies, each returning between three and ten members, depending on the size of the electorate. Like the list system, however, STV 'would involve fundamental departures from our traditional electoral practice and would again mean . . . different electoral systems for national and European elections'.

The White Paper emphasises that whatever the electoral system used in the rest of the United Kingdom, 'the Government considers that the special circumstances of Northern Ireland would make it appropriate for direct elections there to be conducted by a system of proportional representation'.

**Compulsory Dual Mandate**

The requirement that members of a directly elected European Assembly should also be members of the House of Commons has generally been known by the term 'the compulsory dual mandate'. The White Paper puts forward the view that this would minimise the risk of divergencies between Assembly members and Westminster members of the same party. 'Without a compulsory dual mandate, Assembly members who were not also members of the Westminster Parliament would tend to be out of touch with developments at Westminster and might regard themselves as owing a primary allegiance to European rather than national parties.'

It points out, however, that the strain of performing the dual task would be great, although it might be ameliorated through changes in House of Commons procedure. After direct elections, the dual mandate would also be more difficult to operate than hitherto, with 81 members all coming from the House of Commons (whereas at present only 36 delegates are drawn from both the Commons and the House of Lords). Moreover, 'when the European Assembly is directly elected and the overwhelming majority of its members do not sit in a national legislature, the Assembly is likely to have a more intensive scheme of business which pays little regard to the times of sittings of the various national legislatures'.

## By-elections

The Conservatives gained the seat at Ashfield, Nottingham, and Labour retained its seat at Grimsby in parliamentary by-elections held on 28 April.

At Ashfield, where the by-election had been

caused by the resignation of Mr David Marquand after his appointment as personal assistant to Mr Roy Jenkins, President of the European Commission, the Conservative candidate won by a majority of 264. Labour's majority in Grimsby was 520. The election there was occasioned by the death of the former Secretary of State for Foreign and Commonwealth Affairs and MP for the constituency, Mr Anthony Crosland.

The detailed results were as follows:

*Ashfield*

| | |
|---|---|
| T. Smith (Conservative) | 19,616 |
| M. Cowan (Labour) | 19,352 |
| H. Flint (Liberal) | 4,380 |
| G. Herrod (National Front) | 1,734 |

One other candidate received less than 500 votes. Some 59·7 per cent of the electorate voted.

*Grimsby*

| | |
|---|---|
| A. Mitchell (Labour) | 21,890 |
| R. Blair (Conservative) | 21,370 |
| A. de Freitas (Liberal) | 3,128 |

Three other candidates each received less than 500 votes. The percentage of the electorate voting was 69·8.

As a result of the by-elections, the state of the parties in the House of Commons is as follows:

| | |
|---|---|
| Labour | 310 |
| Conservative | 279 |
| Liberal | 13 |
| Scottish National | 11 |
| United Ulster Unionists | 10 |
| Plaid Cymru (Welsh Nationalists) | 3 |
| Scottish Labour | 2 |
| Social Democratic and Labour (Northern Ireland) | 1 |
| Independent (Northern Ireland) | 1 |
| Vacancies | 1 |
| TOTAL | 631 |

The vacancy has been caused by the death of the Conservative MP for Saffron Walden, Mr Peter Kirk.

In addition, there are the Speaker of the House of Commons and his three deputies (the Chairman of Ways and Means and the first and second Deputy Chairmen of Ways and Means). They do not vote except in their official capacities in the event of a tie.

While the Government does not have a majority over all other parties combined, the 13 Liberal MPs have indicated that they will work with the Government in pursuit of economic recovery (see pp 143-4).

# British Nationality Law

The proposal that the present citizenship of the United Kingdom and Colonies should be replaced by a British Citizenship for people who have close ties with the United Kingdom and a British Overseas Citizenship for others who are now citizens of the United Kingdom and Colonies is contained in a discussion document *British Nationality Law: Discussion of possible changes* (Cmnd 6795, HMSO, 60p. ISBN 0 10 167950 5) published on 27 April. In a statement in the House of Commons (*Hansard*, 27.4.77, cols 1227-34), the Home Secretary, Mr Merlyn Rees, said that the present law on nationality was outmoded and difficult to follow. Accordingly, a working party had been set up in 1974 to examine the question and the discussion document was based to a large extent on its work. Mr Rees emphasised that the document was a set of ideas for discussion, not a set of proposals for legislation. It was not intended to introduce early legislation. Nationality law affected everyone in Britain and thousands of people living overseas; before changes were introduced there must be full opportunity for people and representative organisations to express their views.

In addition to its main suggestion that there should be two kinds of citizenship, the document discussed who should obtain which of the citizenships and the distinction in the treatment of men and women, both in the transmission of citizenship and in the acquisition of it through marriage. It also mentioned possible changes in the requirements for the grant of naturalisation which had remained largely unchanged for many years.

Mr Rees stressed that the changes discussed would not affect anyone's existing right of entry to the United Kingdom. In particular, the obligation which successive Governments had assumed towards holders of United Kingdom passports from East Africa would be maintained and the special voucher system would continue.

The main proposals of the document are summarised below.

### The Case for Change

The discussion document says that there have been many changes in British society and in the United Kingdom's role in the world since the British Nationality Act was passed in 1948. The law has been amended on numerous occasions so that it is in some respects complicated and obscure. Moreover, because the United Kingdom is no longer an imperial power the all-embracing concept of nationality associated with this role, including the citizenship of the United Kingdom and Colonies, is no longer appropriate. The Government is anxious to ensure that any revision of the law should provide a system which is both satisfactory and lasting and that in removing difficulties and grievances which changes in the nature of the Commonwealth since 1948 have placed on the system then introduced, fresh difficulties should not be created. The ideas contained in the document are designed to put right the main defect in the present law which is that the present citizenship of the United Kingdom and Colonies relates both to the United Kingdom and overseas territories: it does not identify those who belong to Britain and have the right to enter and live there freely; in consequence, it prevents the United Kingdom from basing its immigration policies on citizenship. United Kingdom citizenship is in these respects different from the citizenships of many other countries, including those in the European Community.

### Two New Citizenships

The paper suggests that the present citizenship of the United Kingdom and Colonies, which does not itself identify those who belong to the United Kingdom and have the right to enter and live there might be replaced by *British Citizenship* for those with close ties with the United Kingdom and *British Overseas Citizenship* for the remainder of persons who are now citizens of the United Kingdom and Colonies.

It is suggested that British Citizenship should be conferred, in general, on those citizens of the United Kingdom and Colonies who were born, naturalised or registered in the United Kingdom (or in the Channel Islands or the Isle of Man); on those who hold that citizenship by descent and have the right of entry; and on those citizens of the United Kingdom and Colonies and British Protected Persons from dependencies or former dependencies (including those from East Africa) and British Subjects without Citizenship[1] who have settled in the United Kingdom for a specified period.

The intention would be that British Citizens – and only British Citizens – should have an unqualified right of free entry to the United Kingdom; but there are some people who now have such a right who would not become British Citizens under these proposals, and there might be a case for allowing them to retain this right for their lifetime.

### Movement Within the European Community

The present definition of 'United Kingdom national' for European Community purposes would need to be redrawn, in consultation with other members of the Community, so that in general all British Citizens would have the same freedom of movement within the territory of the Community.

### Transmission to Children Born Abroad

It is suggested that women, as well as men, should be able to transmit their citizenship to their children born abroad, but that transmission should be generally confined to the first generation so born.

### Acquisition by Virtue of Marriage

Under the present nationality law a woman who marries a man from the United Kingdom has the right to acquire her husband's citizenship. But a man from overseas who marries a woman from the United Kingdom has no such right. The document discusses whether the law for acquiring citizenship by virtue of marriage should be altered to treat both sexes equally. It refers to the laws of certain other countries in this field.

#### *Naturalisation*

The question whether there should be any change in the requirements for the grant of naturalisation, for example, with regard to the standards of character and knowledge of the language, is discussed as is the possibility of introducing an appeals system for people refused naturalisation.

#### *Dual Nationality*

The present law imposes no restriction on the holding of dual nationality. In this respect the United Kingdom differs from most other countries. Some of the complexities arising from dual nationality are mentioned and what changes might be made are discussed, including the possibility that people voluntarily acquiring another citizenship should automatically lose British Citizenship and that applicants for British Citizenship would have to renounce their existing citizenship.

### Civic Privileges

Brief reference is made to the civic privileges associated with citizenship. The document says that in the United Kingdom the common status of British subjects which is held not only by citizens of the United Kingdom and Colonies but by all other Commonwealth citizens, carries with it voting and other privileges. There are also special arrangements for citizens of the Irish Republic. These privileges do not stem directly from the law of nationality, says the document.

### British Overseas Citizenship

It is suggested that British Overseas Citizenship might be conferred on those citizens of the United Kingdom and Colonies who were born, naturalised or registered in an existing dependency, or whose fathers were so born, naturalised or registered. This status would also be conferred on those other people who are now citizens of the United Kingdom and Colonies or British Protected Persons but who would not become British Citizens. As a general rule, entry to a dependency would be limited to those who were British Overseas Citizens by virtue of a connection with it. British Overseas Citizenship would not carry with it the right of entry to the United Kingdom. It would be necessary, so that British Overseas Citizenship should in the longer term be related to dependencies only, to make the rules for acquisition and transmission more restrictive than those for British Citizenship.

#### *The Special Question of United Kingdom Passport Holders from East Africa*

These arrangements would not affect the obligation which the Government has assumed towards holders of United Kingdom passports from East Africa, and the special voucher system would continue.

### The Status of Irish Citizens

The document refers to the position of Irish citizens and says that, in general, those born before 1949 were also British subjects under United Kingdom law until the British Nationality Act 1948 came into force. Since then Irish citizens have been eligible to claim to remain British subjects under a special provision of the Act. Within a new nationality scheme they could continue to be eligible to hold British passports. They and other Irish citizens settled in the United Kingdom would be

[1]Under the terms of the British Nationality Act the terms 'British subject' and 'Commonwealth citizen' are synonymous. Citizens of the United Kingdom and Colonies and citizens of the independent Commonwealth countries all hold the additional status of British subject/Commonwealth citizen. British Subjects without Citizenship are persons born before 1 January 1949 who were British subjects by reason of their connection with former British India but did not become citizens of India or Pakistan when those countries introduced their own citizenships after independence, usually because they were not living in one of them at the time.

eligible on the same terms as citizens of the Commonwealth and foreign countries to apply for British Citizenship.

### Numbers Involved

As background to the questions under discussion the document gives figures of the numbers of people involved. Altogether, there are about 950 million people who hold the status of British subjects under United Kingdom law. Most of these are citizens of independent Commonwealth countries. Of the rest, 56 million are citizens of the United Kingdom and Colonies by reason of close connection with the United Kingdom and are exempt from immigration control. A further 3·3 million (of whom 2·6 million are in Hong Kong) are citizens of the United Kingdom and Colonies by virtue of a close connection with an existing dependency. They do not have a right of entry to the United Kingdom but they do almost invariably have a right of admission to a dependency. There are, however, a number of citizens of the United Kingdom and Colonies – about 190,000 mostly in Malaysia, India and Africa – who derive their status from former dependencies and have no such rights. (The numbers in East Africa are declining as a result of admission to the United Kingdom under the special voucher scheme.) There are also thought to be some 3 million citizens of the United Kingdom and Colonies (1 million in the United Kingdom) with dual nationality who are exempt from United Kingdom immigration control, and a further 1·3 million (mostly in Malaysia) who are subject to such control. Many of those citizens of the United Kingdom and Colonies without rights of entry to either the United Kingdom or a dependency are well-established in their countries of residence even when they do not have dual citizenship. Finally, there are believed to be about 250,000 British Subjects without Citizenship and over 274,000 British Protected Persons (the majority in the Solomon Islands). Nearly all of these people are living abroad and are subject to immigration control. About 120,000 Irish citizens have made formal claims under the British Nationality Act 1948 to remain British subjects.

# EXTERNAL AFFAIRS AND DEFENCE

## European Community

Dr Owen, the British Foreign and Commonwealth Secretary, has made his first speech to the European Parliament, in which he focused on issues relating to the North-South dialogue. Foreign ministers have met to discuss matters relating to political co-operation, and at a Council of Ministers' meeting agreed a common position for the ministerial meeting of the Conference on International Economic Co-operation to be held in Paris at the end of May. Agreement has now been reached by the Community's agriculture ministers on farm prices for 1977-78, and the 'green pound' has been devalued by 2·9 per cent.

These and other recent developments are detailed below.

### FOREIGN AND COMMONWEALTH SECRETARY'S SPEECH TO THE EUROPEAN PARLIAMENT

In a speech to the European Parliament on 20 April, in which he reported on the main points of the European Council meeting in Rome in March (see pp 146-8) the Secretary of State for Foreign and Commonwealth Affairs, Dr David Owen, concentrated on two major issues which face the European Community and which dominated the European Council meeting. These were first, growth, inflation and unemployment, and secondly, the North-South dialogue between developed and developing countries.

Dr Owen referred to the European Council's request to the Commission to draw up an action programme with proposals for increasing industrial investment and job opportunities, and said: 'It is vitally important that we are in a position to report real progress for alleviating unemployment; in particular young school leavers will expect action this summer, not mere words.' The Foreign and Commonwealth Secretary said it was right that the Community should deal with these various economic matters which affected 'the livelihood of many millions of our own citizens'. But although it was the Community's first priority, it was not the only priority, and the Community had 'responsibilities to the unemployed and the undernourished, world wide'.

#### North-South Dialogue

With regard to the North-South dialogue, Dr Owen said an important moment had been reached in the history of the developed world's dialogue with the developing world and that there had been a move away from confrontation and towards co-operation. He said the Community had played, and would continue to play, a leading role in the dialogue, and that, rightly, it had been the dominant topic during the British presidency.

In describing some aspects of the Community's and the developed world's policy in this field, Dr Owen pointed out that the Community had recently taken part in the second joint council of the Lomé Convention (see p 187), that the Conference on International Economic Co-operation (CIEC) would shortly be resumed (see p 187), and that the International Monetary Fund's Interim Committee (see p 192) would be meeting to consider the 'serious problems faced by many less developed countries in financing the deficits arising from their imports'. In May, the Downing Street summit (see p 100, footnote 1) would be discussing 'measures to stimulate world economic activity and to improve the functioning of the world's economic and monetary system'. He added: 'the problems of the developing world will play an important part in these discussions'. The Commonwealth heads of Government meeting in June would also, he said, 'discuss the issues of the North-South dialogue in a more relaxed and intimate atmosphere', and 'matters of great importance to developing countries' would also come up in the forthcoming multilateral trade negotiations (see p 394, 1973). Agreement had also been reached on 'replenishing the International Development Agency to the tune of more than $7 billion' (see p 433, 1976), and the European Community had again this year 'revised and improved' its generalised scheme of preferences – a scheme which provides for reduced duty or duty-free access for manufactured and semi-manufactured products. The scheme was 'now of particular benefit to the poorest developing countries'. Dr Owen said the outcome of 'these many parallel and sometimes overlapping sets of negotiations and discussions' would be decisive for the future course of the dialogue.

The Community's voice, either through the participation of individual member states or through the Community, was heard in all these meetings, but Dr Owen stressed that this voice must be 'identifiable, consistent and constructive . . . our objective must always be a common Community position'.

#### *Recent Community Action*

The Foreign and Commonwealth Secretary said

there was agreement that an international economy in which one-third of the world's population had an annual per capita income of less than £100 and in which the gap between the poorest and richest nations was growing, is 'morally unacceptable, demeans human dignity' and is a 'force for unpredictable tensions, economic and political world wide'. He added: 'Stability in Europe cannot be isolated from world stability.' The Community had a duty to deploy its political and economic influence to promote the dialogue with the developing world and that was why the British presidency had 'felt it right to devote a major part of its presidential effort to hammering out . . . Community positions on a common fund and on the issues which arise in CIEC'. At the European Council meeting in Rome, the Community was able to take a major step forward in an area of primary importance to the developing world, 'by accepting that there should be commodity price stabilisation agreements, where appropriate, and that there should be a common fund'. In addition, he said, the Community had also agreed to a study of measures to stabilise the export earnings of developing countries.

*Constraints on Policy*

The Foreign and Commonwealth Secretary described the record of the industrialised world in this area of policy as one of 'solid achievements', but said there were no grounds for complacency. He thought that some of the ideas discussed in the North-South dialogue were 'totally unrealistic' and could not be supported by politicians 'prepared to show vision and to give a lead to their domestic public opinion'. Resources were finite and Governments which were democratically elected had 'to recognise the political constraints' within which they worked. Dr Owen considered that the aim 'must be to establish a realistic basis' on which to discuss with developing countries how resources could best be made to grow and how they should be deployed.

*Wider Participation*

Dr Owen also stressed the need to widen the participation in the North-South dialogue. The Soviet Union and the countries of Eastern Europe had responsibilities and in many cases contributed very little to the developing world, he said. In addition, he looked to the oil-producing countries to co-operate by 'contributing constructively and generously'.

*World Economy*

The Foreign and Commonwealth Secretary saw the restoration of the health of the world economy as the key to the problems of both developed and developing countries. An expansion of world trade would 'contribute to the growth of the industrialised nations, expand their demand for the exports of the producer countries and thus increase the real wealth of the developing nations'.

In conclusion, Dr Owen said he did not pretend that the response to the 'challenge presented by the widening and intolerable gap between rich and poor countries' had so far been adequate. 'But,' he said, 'at least the evidence is there for all to see of the Community's determination to tackle this intractable problem and of our commitment to working together constructively with our many friends in the third world. We share a common goal of a more equitable and prosperous world economy. But our task as political leaders is to shape public opinion in our own countries and to build up the sense of idealism and commitment of our own people so that the Community's aspirations and rhetoric are matched by concrete and recognisable achievements.'

## POLITICAL CO-OPERATION

A political co-operation meeting of foreign ministers – one of the regular meetings concerned with those foreign policy issues which are outside the scope of the Treaty of Rome – was held in London on 18 April. The topics discussed included the situation in Africa and Cyprus, and the Community position for the conference to be held in Belgrade later this year to review the Final Act of the Conference on Security and Co-operation in Europe (CSCE, see pp 305-12, 1975, and p 186).

### Africa

After the meeting, the ministers issued a general statement on Africa with particular reference to Namibia, Rhodesia and Zaïre. In their declaration, they expressed their concern at the 'growth of violence and evidence of instability and economic disruption' in Africa. They continued 'to support the Organisation of African Unity's [OAU] attempts to promote African co-operation' and to 'uphold the right of self-determination and independence of the Namibian and Rhodesian peoples'. They repeated their condemnation of the apartheid policy in South Africa and their continued opposition to all forms of racial discrimination.

The foreign ministers also 'expressed their support for the principles of territorial integrity and non-intervention in internal affairs' which had always been upheld by the United Nations and the OAU and which should be respected in the case of Zaïre. The Nigerian Government's mediation efforts in that country were to be encouraged.[1] 'Individually and jointly' the member states of the Community would also 'consider the possibility of making further efforts to improve the situation in Africa'.

### Conference on Rhodesia

Speaking after the meeting, the Foreign and Commonwealth Secretary, Dr David Owen, added that the proposed constitutional conference on Rhodesia (see p 189) would, if it took place, deal with wider questions than the constitution alone; for example, the electoral process for an independent government and how this could be safeguarded, and the Zimbabwe (Rhodesia) independence trust fund (a fund to ensure the economic stability of an independent Zimbabwe).

### Human Rights

Dr Owen also said that the foreign ministers had considered and approved the report put forward by the political committee on dissent and human rights

[1]Early in March, fighting broke out in the Shaba province of southern Zaïre following the incursions of troops who had gone to that country after supporting the former Katangan separatist régime. There has been widening international involvement in the conflict.

in the Soviet Union and Eastern Europe; he stated that the report would be a guide for the Community's future action in this field.

### CSCE Review Conference

With regard to preparations for the CSCE review conference, Dr Owen said the ministers had approved a comprehensive report setting out the basic principles for the attitude of the Community at Belgrade and would now concentrate on turning these principles into detailed negotiating positions. The Community could now communicate their position to other friendly states in Europe and to the United States, which should go far towards ensuring a common Western position at Belgrade.

### Cyprus and Spain

On Cyprus, Dr Owen said the ministers had welcomed the resumption of the intercommunal talks in Vienna and the decision of the parties to continue negotiations. (The talks were opened on 31 March by the Secretary-General of the United Nations, Dr Kurt Waldheim.) He added: 'The Nine, who will continue to follow developments with the closest attention, hope that these negotiations will progress towards a just and durable settlement.'

In referring to Spain's decision to hold democratic elections on 15 June, Dr Owen said the ministers had welcomed this move and considered it an important step towards strengthening democracy in Europe.

## AGRICULTURE

### Agreement on Farm Prices and Related Measures

At the meeting of the Council of Ministers on 25 and 26 April the agriculture ministers reached an agreement on farm prices for 1977-78 and related measures. The discussion of these matters had been postponed when the Council had met in March without reaching agreement (see p 148). The Council's decisions include a 3·5 per cent rise in the common support prices for most commodities, a butter subsidy for Britain at a rate of 8·5 pence per lb until 1 April 1978 (to be continued until 1 January 1979 at a rate to be decided later), the continuation of the premium system for British beef producers (see p 95, 1975, and p 170, 1976), and a 2·9 per cent devaluation of the green pound (see p 402, 1976) to £1 = 1·70463 units of account (UA).

Among other measures agreed by the Council is the introduction of a levy on the production of isoglucose (a sweetener manufactured from starch) with a maximum of 5 UA per 100 kg of dry matter, and an action programme dealing with the milk surplus. The action programme differs on several points from the Commission's proposals (see p 422, 1976), and comprises incentives to farmers, financed wholly by the Community, to cease to market milk, or to convert to beef or sheep production; a 'co-responsibility levy' of 1·5 per cent from 16 September, Community aid for school milk programmes; and Community aid for accelerated programmes for eradicating brucellosis, tuberculosis and bovine leukosis.

*British View*

In his statement in the House of Commons about the Council's meeting (*Hansard*, 27.4.77, cols 1234-6), the Minister of Agriculture, Fisheries and Food, Mr John Silkin, said: 'The final package is a considerable improvement on what was originally proposed by the Commission. For us the key objective was to keep consumer price increases to an absolute minimum while at the same time obtaining a fair deal for the farmer.'

Mr Silkin remarked that the rise in the support prices was the lowest since Britain's accession. The butter subsidy, which had not been included in the Commission's original proposals, should lead to an immediate fall in the British retail price of about 5p per lb. Although prices would subsequently rise, increases and decreases throughout the year were expected roughly to cancel out.

The beef premium system, with intervention only as a fallback, would be continued not merely until July, as the Commission had originally proposed, but for the whole of 1977-78. 'I am confident', said Mr Silkin, 'that agreement will be reached in the course of the year that the premium system be retained permanently.'

The Minister remarked that the levy on isoglucose would be fixed at the maximum at half the level proposed by the Commission. [On a previous occasion, the Minister of State at the Ministry of Agriculture, Fisheries and Food, Mr Edward Bishop, had stated that Britain had opposed the Commission's proposal as the levy proposed would have been 'a serious disincentive to isoglucose production and to future investment in production facilities' (*Hansard*, 22.4.77, written answers, cols 166-7).]

On milk, Mr Silkin noted that the action programme had been improved. 'There will be no tax on vegetable oils and fats – that is, no margarine tax', he explained. 'There will be no regulations on the "exclusive use" of milk products or their labelling, although this will be further examined. There will be no ban on national aids for investment on farms.'

*The Green Pound.* Mr Silkin noted that the green pound would be devalued by 2·9 per cent, rather than the 6 per cent proposed by the Commission. Although in general the devaluation will take effect from the beginning of each product's marketing year, an exception has been made for pigmeat and milk products. The Minister explained that the application of the new green pound rate to pigmeat from the beginning of May would reduce the monetary compensatory amount (MCA) immediately by about 8·5 per cent, without at the same time reducing MCAs on cereals. This would provide some relief to Britain's pigmeat industry [by reducing subsidies paid to other Community states' exporters on their sales to Britain, while postponing the rise in feeding-stuff costs], but the Government would continue to press for a more fundamental change in calculating the MCAs for pigmeat. For milk products the devaluation would apply in two equal steps, on 16 September 1977 and 1 April 1978.

### Hops and Sugar

Among other results of the Council meeting on 25 and 26 April was an agreement on certain changes in the basic regulation on hops which would strengthen producer marketing, and an agreement on a mandate for the negotiations with the ACP countries (see p 51, 1975) on prices of sugar to be imported from those countries in 1977-78.

## ECONOMIC POLICY

### Community Budget

The Community's foreign and finance ministers met jointly on 5 April to examine the broad priorities for Community expenditure in 1978. In a statement to the House of Commons (*Hansard*, 6.4.77, cols 1246-54) Mr Frank Judd, Minister of State at the Foreign and Commonwealth Office, said there had been general agreement at the meeting 'on the need to contain agricultural expenditure, to concentrate more of the Community's resources on action related to urgent, social needs, especially unemployment, and to see that these resources are applied to maximum effect'. He went on: 'The joint Council also looked at a number of institutional questions including the proposed introduction of a new European unit of account in the Community budget. These points will be pursued in detail and if necessary considered at a further Council.'

### International Monetary Fund's Resources

Financial questions were also discussed at a later Council of Ministers' meeting on 18 April, at which the ministers agreed that the International Monetary Fund should have a significant increase in its total resources. In a statement after the meeting, the Chancellor of the Exchequer, Mr Denis Healey, who presided over the Council, said the increase had been agreed in order to ensure that countries with persistent balance of payments deficits could be assisted speedily in order to prevent damage to their social and political stability.

### Loan for Italy

The Council also authorised the Commission to advance a loan of $500 million to Italy, having commended the economic policy which the Italian Government intends to pursue in 1977.

## EXTERNAL RELATIONS

### ACP-EEC Joint Council

The second ACP-EEC Council of Ministers' meeting was held in Suva, Fiji, on 13 and 14 April (see pp 317-18, 1976). The chairmen were Ratu Sir Kamisese Mara, Prime Minister of Fiji, on behalf of the ACP countries, and Mr Edmund Dell, the British Secretary of State for Trade, on behalf of the EEC.

The meeting took place one year after the Lomé Convention entered fully into force, and reviewed in detail the workings of the convention. In particular, the delegates focused their attention on items relating to the system for stabilising export earnings (Stabex), the price and export level for sugar, industrial, financial and technical co-operation. Progress was reported on these and other aspects of the convention. With regard to the Stabex scheme, for example, the Council decided to add certain products to those already covered by the system, and to bring into effect for certain countries the Article in the Convention which enables exports irrespective of destination to be considered eligible for the Stabex system. In addition, in selecting the reference year on which financial transfers are based, the Community and the ACP state concerned will, in future, take into account any abnormality about a particular year, and seek a solution to any difficulties through a generous interpretation of the existing provisions of the Convention.

At the close of the meeting, Mr Edmund Dell described the joint Council as a 'successful and practical demonstration of North-South relations'. He said they had worked through a long and detailed agenda and dealt in a sensible way with complex issues. Useful practical decisions had been taken, he said, and the 'broader political context' had always been kept in view.

### Lebanon

A co-operation agreement between Lebanon and the EEC was signed in Brussels on 3 May with the aim of contributing to the economic and social development of Lebanon and the strengthening of relations between the two parties. It provides for economic, technical and financial co-operation. A financial protocol has also been concluded for the period ending 31 October 1981. Under this protocol, Lebanon will be eligible for a loan of 20 million units of account (mua) from the European Investment Bank, an additional 8 mua in the form of grants, and 2 mua in the form of special-term loans. This is the last in the series of Mashraq agreements to be signed (see p 58).

### Proposals for CIEC

The Community's foreign ministers met on 3 May to discuss proposals for the forthcoming ministerial meeting of the CIEC to be held on 30 and 31 May and on 1 June 1977 in Paris (see pp 18-21, 1976). They proposed that the group of eight participants from the industrialised countries (including the European Community) should set up a special $1,000 million fund to provide short-term financial relief to the world's poorest developing countries. Of the total amount, they have suggested that 37·5 per cent should be provided by the member states of the Community, 37·5 per cent by the United States, and the remaining 25 per cent by the other members of the group of eight. This contribution is intended to be considered by the Community as a special measure concerning the transfer of resources, and as supplementary to any aid given normally. The Community will be discussing these proposals with the group of eight at the CIEC in Paris.

# East-West Relations

## PRIME MINISTER'S SPEECH

The Prime Minister, Mr James Callaghan, delivered a speech on East-West relations at the conference of social democratic leaders, held in Amsterdam on 17 April.

Mr Callaghan began his speech by noting that two forecasts made by those who had supported the idea of the Helsinki Conference on Security and Co-operation in Europe (CSCE, see pp 305-12, 1975) had been proved right. First, the CSCE had been 'a two-way exercise' that had made the situation in Central Europe 'both more stable and, for the people living there, a little more tolerable'. Secondly, Mr Callaghan said, 'the whole span of issues covered by the words "human rights" are seen as legitimate topics for discussions between states and are indelibly inscribed on the agenda of international negotiations'.

The Prime Minister went on to state that the first benefit of *détente* was the 'common understanding between East and West on the need for consultations and contact at governmental level to be frequent and close'. However, he pointed out that the issue of *détente* was more complex than that. Warning of the danger of East and West returning to the 'ignorance, suspicion and hostility' that had divided them in the past, Mr Callaghan noted that both sides, together with the assistance of the neutral and non-aligned states, had sought to reduce the level of tension without impairing the security of either side. 'Looking at the situation as against the moods prevailing 20 or 30 years ago', he said, 'we can see that contacts are more regular, on a wider range of issues, and the scope for miscalculation – as a result – much less.' However, in discussions on *détente* the Prime Minister said there were certain developments that had to be faced.

The Soviet Union was refining the concept of the 'ideological struggle' as a political offensive that would run parallel to the improvement of inter-state relations. Social democrats, the Prime Minister said, needed to have no fears about such a struggle for 'both theory and practice show that the democratic system offers the people of Europe the prospects of a more fair, more free, more just and more prosperous life than can be provided by pursuing a Marxist-Leninist philosophy'. Nevertheless, the 'ideological struggle' was a favourite term in the Soviet Union. This did not mean, Mr Callaghan pointed out, that the present Soviet leadership had hostile military intentions towards the West, but 'the Russians have always professed to believe that even by means short of military aggression the eventual collapse of the West is inevitable'.

### Human Rights

Turning to the issue of human rights, Mr Callaghan said that the last few months had shown most vividly the value of the CSCE Final Act, in particular, for efforts to promote human rights in the Soviet Union and Eastern Europe. He regretted the reaction by the Soviet and East European leaders to manifestations of dissent and human rights issues, but said that the West should continue to maintain a strong position of principle, and that the signature of the CSCE Final Act 'means that issues of importance to the Western democracies in the humanitarian, information and cultural fields are now legitimate subjects for East-West intergovernmental discussions, and we should not be deflected from discussing them'. Mr Callaghan added: 'Improvements in these areas are vital for the creation of the climate of greater confidence in Europe.' The West intended to keep a 'clear perception of priorities', working, on the one hand, to ensure that the existence of *détente* was not jeopardised, and continuing, on the other hand, to 'reflect accurately the general and legitimate level of Western public interest and concern about developments in the fields of dissent and human rights in the Soviet Union and Eastern Europe'.

### Africa

Mr Callaghan went on to state that a second area where East and West differed in their conceptions of *détente* was the way in which that process should be applicable to the pursuit of foreign policies in areas outside Europe. Emphasising 'the indivisibility of *détente*', he believed that 'Western public and governmental reaction to Soviet actions in Angola [see pp 104-6, 1976] went deeper than the Soviet Union expected'. Britain's approach to Africa over the last two decades had been to 'encourage the process of self-determination and independence, whilst trying to prevent the continent becoming a focus for super-power conflict'. He stated that throughout the years in southern Africa Britain had never sought to deny or escape from its 'final responsibility in Rhodesia', and referred to the visit to that country by the Foreign and Commonwealth Secretary, Dr David Owen (see pp 189-90). Britain was continuing to urge the Government of South Africa to act with 'speed and imagination' in Namibia (see p 382, 1976) and Britain's total condemnation of apartheid was on the record, as its action on such matters as arms supply had shown (see p 463, 1974). There was still time, the Prime Minister believed, for Africa itself to evolve peaceful solutions to many outstanding problems, but such solutions should come from within Africa. 'It will be tragic', he said, 'if the people of Africa have a new foreign orthodoxy thrust upon them, having so recently thrown off the old imperialism.' Mr Callaghan warned that if such involvement were to continue it would have its effects on other East-West interests. Security and co-operation in Europe required 'restraint and prudence in policies and practices outside Europe'. The Prime Minister pointed out that in saying this he was not denying the Soviet Union its legitimate rights as a super-power but that super-power status brought with it super-power responsibility, 'to know when to stay out'.

### Arms Control

The Prime Minister then turned to arms control questions. He expressed his disappointment at the slow rate of progress at the negotiations in Vienna on mutual and balanced force reductions (MBFR, see p 18), but felt that success in the strategic arms limitations talks (SALT, see p 18) was the key to building up mutual confidence and co-operation between the United States and the Soviet Union. He felt that 'the recent setback in Moscow'[1] was not

[1]The United States Secretary of State, Mr Cyrus Vance, visited Moscow between 26 and 30 March and put forward two sets of proposals concerning a SALT agreement, both of which were rejected by the Soviet Union.

too serious and envisaged a period of 'hard negotiation' in the next few months. The problem of nuclear proliferation was, Mr Callaghan said, 'of particular importance to progress in *détente*' and it was of the utmost importance that East and West should work together on this question before it was too late to develop 'an effective international strategy'. At the same time Britain would support a ban on all nuclear tests 'on condition that such a comprehensive test ban agreement provided for adequate verification as well as ensuring that peaceful nuclear explosions are not used to obtain weapons-related benefits'. Mr Callaghan also referred to the need to work for the reduction of global military spending and the arms trade. Pointing out the threat to peace represented by the vast build-up of conventional weapons throughout the world, he emphasised 'the need to begin the search for solutions'.

The Prime Minister concluded his speech by returning to the subject of the Belgrade conference. He was convinced of the political importance of the conference 'for its long-term value in continuing the dialogue which has opened between East and West, and in emphasising the seriousness of the political commitments which all signatory states have assumed'. The implementation of the CSCE Final Act was a continuing process and at the conference Britain would be looking for 'steady and measured progress towards the equal implementation of all three baskets, which in our view, constitute a balanced whole'.

## Rhodesia

Britain and the United States are continuing to co-ordinate their policies in the search for a peaceful settlement to the problem of Rhodesia. Following a new round of detailed consultations with the United States Government at the end of April and with Mr Cyrus Vance, the American Secretary of State, on 6 May, the eve of the Downing Street summit, Dr David Owen, the Secretary of State for Foreign and Commonwealth Affairs, informed the House of Commons on 11 May that 'both Governments wish to reiterate their determination to work for the independence of Rhodesia under majority rule in 1978. They have been encouraged by their contacts so far to believe that detailed consultations about an independence constitution and the necessary transitional arrangements could be a satisfactory way to achieve this. They have therefore agreed that Britain and the United States should now enter into a phase of intensive consultations with the parties.' The Government had therefore decided to establish a consultative group to visit the area, and to make contact with the parties involved. Dr Owen said that Mr Vance had agreed to appoint a senior United States official to work with the head of the British consultative group.

From 11 to 17 April, the Secretary of State for Foreign and Commonwealth Affairs, Dr David Owen, visited Southern Africa to assess the prospects for re-opening negotiations on Rhodesia on the basis of new joint British-United States proposals for a constitutional conference. This approach had been agreed upon in March when, during the visit to the United States by the British Prime Minister, Mr Callaghan, and Dr Owen (see pp 149-50), the two Governments had reviewed the situation following the adjournment of the Geneva Conference in December 1976 (see pp 11-13) and Mr Smith's rejection of British proposals for its resumption (see pp 52-4).

### DR OWEN'S STATEMENT

Reporting to the House of Commons on 19 April (*Hansard*, cols 29-45) on his visit, Dr Owen said that his 'main purpose was to see whether it would be possible to resume progress towards a peaceful settlement of the Rhodesian problem. As the House knows, violence has been increasing and, while a long and bloody struggle might, in the end, produce an independent Zimbabwe, it will do so only at grave cost. Many lives will be lost, the economy will be destroyed, there will be severe damage to the stability of the neighbouring states and it will leave a legacy of lasting bitterness between the races. We are all well aware of the immense difficulties of resolving this problem.' However, Dr Owen explained, he 'was encouraged to attempt a new approach by the support of the United States Government, with whom there has been the closest possible co-operation. It is our joint determination to work for reconciliation in Southern Africa, on the firm basis of majority rule, the fullest regard for human rights, and the ending of racial discrimination.'

During his visit to Africa, Dr Owen continued, he had discussed the possibility of Britain and the United States co-sponsoring a conference to develop a clear timetable for achieving majority rule in 1978. 'Such a conference', he explained, 'would draw up a constitution protecting basic human rights and define an acceptable democratic process for an automatic transfer to an independent nation. It would also discuss the role of an international development fund to help promote the economic stability of an independent Zimbabwe and encourage the minority white population to stay and contribute to the country's future. The constitution would aim to be broadly acceptable to 6 million people, black and white, who would actually live under its provisions; but, as chairman of the conference . . .' he 'should retain the final responsibility for bringing any constitutional Bill to this House for its approval.' Dr Owen also stated that the British Government's proposals (see pp 52-4) for an interim Government remained open for discussion, adding that, 'it may be that there is more likely to be agreement to a caretaker government, who would be responsible for the conduct of elections prior to the granting of independence'.

'If Mr Smith's Administration did not accept the constitution and the arrangements leading up to it', the Secretary of State continued, 'no immediate progress would be possible. Sanctions would continue and so would the war, but . . . at an

increased tempo. If there were agreement, Mr Smith's Administration would resign, the caretaker government would supervise the elections and anyone participating in the election would have to forsake violence; sanctions should also be lifted.'

He added that he was 'convinced that many Africans who currently believe that the armed struggle is the only way forward are essentially men of peace. It is not difficult to understand the motives of those who feel that they have no recourse but to arms. Much as we all wish violence to stop, we cannot immediately expect it to stop while the wall of scepticism and disbelief, which I met all over Africa, remains about the intentions of the Smith Administration. Until those who currently carry arms are convinced that they will have majority rule . . . it looks inevitable that violence will continue.' He added, however, that 'the reactions to [the new] strategy have been sufficiently encouraging for me to feel it right, in close consultation and co-operation with the United States Government, to continue discussions with the various parties'. In conclusion, Dr Owen said that he was 'convinced . . . of the urgent need to end the war in Rhodesia. Genuine concern about the dangers of continued confrontation was clearly expressed . . . by the five Front Line Presidents, by Mr Vorster and by the Rhodesian leaders, black and white.' He had found 'a widespread belief in the necessity for a non-racial majority government. There is however, a desperate lack of trust which must now be rebuilt.'

In reply to questions Dr Owen explained to the House that 'an integral part of the whole strategy is that there should effectively be a General Election. The question of the franchise is one which, clearly, will be dealt with in the constitution, but I believe that it ought to be on the broadest possible franchise.' On the issue of a permanent British mission in Salisbury Dr Owen stated that this 'very much depends on whether one decides to go ahead with the conference. Certainly, if there were a conference, there would need to be intensive consultation prior to the opening of any formal conference. Much of that consultation would necessarily have to take place in Rhodesia.'

### DR OWEN'S TOUR

During his tour of Southern Africa Dr Owen held talks with each of the five Front Line Presidents, visiting Tanzania, Mozambique, Botswana, Zambia and Angola. In Dar es Salaam he also held separate discussions with Mr Robert Mugabe and other members of the Patriotic Front. In Capetown, Dr Owen saw Mr Vorster and Mr Smith separately, and he continued his talks with Mr Smith in Salisbury. Dr Owen is the first British Foreign and Commonwealth Secretary to visit Rhodesia since Sir Alec Douglas-Home in 1971 (see pp 589-92, 1971). On his return journey to London, Dr Owen also visited Lagos for talks with Brigadier Garba, the Nigerian Federal Commissioner for External Relations, which included discussions on Southern Africa. Prior to his visit the Foreign Secretary had talks in London with the Rhodesian nationalist leaders, Bishop Abel Muzorewa and Mr Joshua Nkomo; and he saw the Reverend Sithole in London after his return on 19 April.

In a statement issued on 12 April after talks with Dr Owen on the previous day, the Patriotic Front said that although it was prepared to study the proposals for a constitutional conference, only those organisations engaged in the war in Rhodesia were entitled to take part. If Mr Ian Smith attended, it should be as a member of the British delegation. Speaking to journalists on 11 April, Dr Owen said that he had explained to the Patriotic Front during their discussions that he did not think that the British Parliament would be prepared to support a constitution unless the Government had done all in its power to try to sound out all opinions. He added that he was 'adamant that there would have to be a broad spectrum of opinion represented at an independence conference'.

In his statement to the House of Commons on 19 April, Dr Owen further commented: 'Although the Front Line Presidents made it utterly clear that they would continue to support the armed struggle until they were convinced that majority rule was a reality, they supported [the joint British-United States proposals] as giving some hope of a peaceful transition, but they raised many objections on the problems that we would encounter. They showed considerable scepticism about the intentions of the Rhodesian Front and Mr Smith.' With regard to the issue of representation, and the Patriotic Front's claim that they were the only people who should be consulted, Dr Owen said that the five Presidents 'understood that a constitutional Bill that would come before this House could not possibly pass if we had restricted the consultation to only one sector of black nationalist opinion.

### OTHER REACTIONS

The foreign ministers of the nine countries of the European Community considered the situation in Rhodesia at the European Community political co-operation meeting in London on 18 April which was chaired by Dr Owen (see p 185). The foreign ministers reaffirmed the willingness of the Community to co-operate in so far as any African state wished them to do so and rejected any action by any state aimed at setting up a sphere of influence in Africa. They upheld the right of self-determination and independence of the Rhodesian people and reaffirmed that they will do everything possible to promote democratic majority rule and non-racial government for the peoples of Southern Africa.

## Foreign and Commonwealth Secretary's Visit to Egypt and Syria

The Secretary of State for Foreign and Commonwealth Affairs, Dr David Owen, visited Egypt from 24 to 26 April and Syria from 26 to 27 April. During these visits Dr Owen had talks with the President

of Egypt, Mr Anwar Sadat, the President of Syria, Mr Hafez al-Assad, and a number of other leaders in each country.

At a press conference at the end of his visit the Foreign and Commonwealth Secretary said that Britain now had a much clearer idea of the prospects of achieving a negotiated settlement in the Middle East.[1] He stressed that the problem was a very difficult one that had eluded negotiators for many decades and there was still a great deal of work to be done if there was to be progress towards a solution in 1977. However, Dr Owen felt the basis for a settlement did exist, and Britain, he said, was prepared to play any part it could in trying to achieve a greater degree of movement towards peace before the end of the year, leading to a reconvening of the Geneva Conference (see pp 58-9, 1974). The initiative in promoting a new bid for peace lay with the United States and the key time would be in the summer, when the United States Secretary of State, Mr Cyrus Vance, would visit the area again[2] and the Israeli elections would be over.[3] Britain's role, Dr Owen said, would be to support the United States, both independently and as a member of the European Community.

The question of the Palestine people, their right to a homeland and their representation at a peace conference, was at the core of the problem, the Secretary of State said. Britain accepted that the establishment of a homeland was an essential ingredient of a peaceful solution but it was for the main participants to work out how this could be best achieved.

During his visit to Syria, the first by a British Foreign Secretary, Dr Owen signed a cultural agreement and also discussed the prospects of increasing trade between the two countries.

# Defence

## AIRBORNE EARLY WARNING SYSTEM

The Secretary of State for Defence, Mr Frederick Mulley, announced in the House of Commons on 31 March (*Hansard*, cols 583-91) that Britain had decided to go ahead with the full development of its airborne early warning (AEW) system based on the *Nimrod* aircraft. This decision, Mr Mulley said, would give NATO 'an urgently needed and modern airborne early warning capability to replace the *Shackletons* now operating in the United Kingdom air defence region and in the Eastern Atlantic and Channel areas'.

The Secretary of State referred to a NATO ministerial meeting on 25 March which postponed, for a third time, a decision to proceed with a co-operative programme to develop a NATO AEW capability based on the American *Boeing E3A* airborne early warning and control (AWACS) aircraft. Britain had been maintaining its own national system based on the *Nimrod* at a low level of funding but this development had reached the stage where, if it was not to be delayed further, a substantial increase in the rate of expenditure was now necessary. 'In the light of the continued uncertainty about the procurement of the AWACS system by NATO,' Mr Mulley stated, 'we have decided that we must now go ahead with the *Nimrod* system, which, subject to the successful conclusion of the necessary contract negotiations, will now proceed to full development.'

Mr Mulley pointed out that Britain's decision did not exclude the possibility of a collective NATO solution to the requirement, and stated: 'In developing the *Nimrod* system, we shall aim to secure the maximum interoperability and compatibility between *Nimrod* and whatever additional airborne early warning aircraft the alliance may eventually decide to procure.'

[1]For background, see pp 67-9 and 318-19, 1976.

[2]Mr Vance visited the Middle East from 14 to 21 February and had a series of talks in Israel, Egypt, Lebanon, Jordan, Saudi Arabia and Syria.

[3]A general election is to be held in Israel on 17 May.

# Shorter Notes

## FALKLAND ISLANDS

The Secretary of State for Foreign and Commonwealth Affairs, Dr David Owen, announced in the House of Commons on 26 April (*Hansard*, cols 273-4) that agreement had now been reached by the British and Argentine Governments on the terms of reference for negotiations about the Falkland Islands dispute (see pp 106-7). The negotiations, said Dr Owen, would take place in June or July and 'will concern future political relations, including sovereignty, with regard to the Falkland Islands, South Georgia and South Sandwich Islands,[1] and economic co-operation with regard to the said territories, in particular, and the South West Atlantic, in general. In these negotiations the issues affecting the future of the Islands will be discussed, and negotiations will be directed to the working out of a peaceful solution to the existing dispute on sovereignty between the two states, and the establishment of a framework for Anglo-Argentine economic co-operation which will contribute substantially to the development of the Islands, and the region as a whole.' A major objective of the negotiations, the Foreign Secretary stated, 'will be to achieve a stable, prosperous and politically durable future for the Islands, whose people the Government of the United Kingdom will consult during the course of the negotiations'. The agreement to hold these negotiations, and the negotiations themselves, Dr Owen added, 'are without prejudice to the position of either Government with regard to sovereignty over the Islands'.

[1]The island of South Georgia and the South Sandwich Islands are dependencies of the Falkland Islands. The South Sandwich Islands are uninhabited and the population of South Georgia comprises the staff of the British Antarctic Survey Station.

# International Monetary Fund

Mr Denis Healey, Chancellor of the Exchequer, reported to the House of Commons on 4 May that the meeting of the Interim Committee (see p 434, 1974) of the International Monetary Fund (IMF) held in Washington on 28-29 April, had unanimously agreed upon steps to increase substantially the resources available to the IMF for lending to member countries (*Hansard*, written answers, cols 181-4). The Chancellor said that he was confident that the Managing Director and the Executive Board would now be able to complete negotiations to implement the decisions and thus enable the IMF to contribute in a practical way towards tackling the problems of recovery from recession. Mr Healey then gave the text of the press communiqué issued at the end of the meeting.

### Economic Review

The communiqué stated that the committee had discussed the world economic outlook and the functioning of the international adjustment process. The committee had noted the expansion of activity that had taken place in the world economy over the past year and welcomed the improvement in economic outlook during recent months following cessation of the 'pause' in the industrial countries; but it had expressed concern about the persistence of high levels of unemployment, especially among young people, and high levels of inflation in many countries.

On the broad question of the economic policy options and priorities of member countries, the committee had agreed on the following conclusions:

**1** Policies of demand management in most countries had to emphasise the need to deal with problems of inflation and the balance of payments. These policies were being guided by the conviction that measures to combat inflation and, where necessary, to strengthen the external position were not only necessary in present circumstances but would also make for a better record over time in terms of economic growth and employment.

**2** At the same time, special efforts should be made to improve market access for the exports of the developing countries and to increase the flow of official development assistance. Any tendencies toward protectionist trade policies could not be considered acceptable from an international point of view and should be strongly resisted. Indeed, increased attention should be paid to the need to reduce the existing restrictions on trade. Success in the current negotiations in Geneva would make an important contribution to this end.

### Economic Adjustment

From its review of the international adjustment process the committee concluded that:

**1** The need for adjustment remained large and, as experience showed, delays could be very costly. It would take international co-operation, and determined action by surplus as well as deficit countries, to make continuing progress with respect to adjustment. An encouraging development was that a number of countries, both large and small, developed and developing, had adopted programmes to strengthen their external positions, often in the context of stand-by arrangements approved by the IMF.

**2** Strategies of adjustment had to include emphasis on conservation of energy, on elimination of domestic sources of inflation particularly in the deficit countries, and on improvement in cost-price relationships among countries. It was important that industrial countries in relatively strong payments positions should ensure continued adequate expansion of domestic demand, within prudent limits. Moreover, these countries, as well as other countries in strong payments positions, should promote increased flows of long-term capital exports.

**3** Given the persistence of large payments imbalances, important demands for the IMF's resources could be expected to materialise. The committee had found good grounds for believing that expansion of the IMF's role as a financial intermediary could contribute significantly to promotion of international adjustment and to maintenance of confidence in the continued expansion of the world economy and in the effective functioning of the international financial system.

### International Liquidity

Reviewing the developments in international liquidity and in the financial activities and resources of the IMF, the committee concluded that there was an urgent need for a supplementary arrangement of a temporary nature that would enable the IMF to expand its financial assistance to those of its members who in the next few years would face payments imbalances that were large in relation to their economies. It had agreed that some of the

main features of this supplementary arrangement would be as follows:

**1** The IMF would establish substantial lines of credit in order to be able to assist members to meet their needs for supplementary assistance.

**2** Access to assistance under the supplementary arrangement should be available to all members and should be subject to adequate conditions and such assistance should normally be provided on the basis of a stand-by arrangement covering a period longer than one year.

**3** The IMF should pay interest on amounts borrowed under the lines of credit at market-related interest rates, and charges by the IMF for the use by members of resources borrowed by it under these lines of credit should be based on these rates. The possibility of a subsidy related to the rates of charge that would be payable by low-income countries should be explored.

**4** The claims of lenders under the supplementary arrangement should be appropriately liquid.

The committee had welcomed the willingness of a number of countries in a position to lend to the IMF to collaborate with it on arrangements for supplementary credit. It had urged the Managing Director to complete, as soon as possible, discussions with potential lenders on terms, conditions and amounts, and requested the Executive Directors to take the necessary steps for making such an arrangement operative as soon as possible.

### Quotas

The committee had considered the main issues relating to the Seventh General Review of Quotas (see p 431, 1976). It had been agreed that, in view of the expansion of members' international transactions and the need for the IMF to be able to give balance of payments assistance to members on a larger scale than would be available on the basis of quotas under the Sixth General Review (see pp 399-400, 1975) there should be an adequate increase in the total of quotas following the Seventh General Review. On the question of distribution of quotas, one view had been that in order to conclude the Seventh Review at an early date, increases should be equi-proportional to the quotas that would result from the Sixth General Review. Another view, however, had been that a few special adjustments should be made for those members whose quotas were seriously out of line with their relative positions in the world economy, and in this connection some emphasis should be placed on increases that would strengthen the IMF's liquidity. The committee had urged the Executive Directors to pursue their work and to prepare a report, together with draft recommendations to the Board of Governors, on increases in the quotas of members under the Seventh General Review for consideration by the committee at its next meeting.

### Special Drawing Rights

The committee had also considered whether a further allocation of Special Drawing Rights (SDRs, see p 268, 1974) would be advisable at the present time. The Executive Directors' discussions on this question had been noted and it had been agreed to request them to give it further consideration and to report to the committee at its first meeting in 1978.

It was also agreed to request the Executive Directors to review the characteristics and uses of the SDR so as to promote the purposes of the IMF, including the objective of making the SDR the principal reserve asset in the international monetary system.

The communiqué pointed out that, although the committee had discussed the proposals for supplementary credit, the Seventh Quota Review and any allocation of SDRs separately, members of the committee had attached importance to the interrelationships among them and particularly to the overall effect of the decisions as a whole.

### Amendment of Articles

The committee had noted with satisfaction the work of the Executive Directors on the implementation of Article IV of the Proposed Amendment of the Articles of Agreement (see pp 71 and 430-1, 1976), and had welcomed the consensus reached by them on the principles and procedures for the guidance of members and for the exercise of surveillance by the IMF over the exchange rate policies of members in the period after the Second Amendment had become effective. It had endorsed these principles and procedures, and had agreed that they would make an important contribution to the effective functioning of the international monetary system in the future.

It was noted by the committee that so far no more than 24 members of the fund having about 32 per cent of the total voting power had notified the IMF of their acceptances of the proposed Second Amendment of the IMF's Articles and that very few members had given their formal consent to increases in their quotas under the Sixth General Review of Quotas. The committee had expressed its concern at this delay and had urged all members that had not yet accepted the proposed Second Amendment to complete as soon as possible the arrangements that would enable them to take this action to increase their quotas under the Sixth General Review.

The committee will hold its ninth meeting in Washington on 24 September 1977.

## British Aerospace

### MINISTER'S SPEECH

The Minister of State for Industry, Mr Gerald Kaufman, stated in a speech in London on 29 April that the publicly-owned British Aerospace, established under the Aircraft and Shipbuilding Industries Act 1977 (see p 145), could secure a profitable share of new aircraft business if it built the aircraft which people wanted and offered them at competitive prices. Addressing union members and officials from the aircraft industry at a special meeting to celebrate vesting day, Mr Kaufman

said that the four companies,[1] united under a single publicly-owned body, would provide a framework in which the industry could realise its full potential. One of the most important features of public ownership would be the development of industrial democracy: the corporation had a statutory duty to promote industrial democracy in a strong and organic form. This was the first time a nationalisation statute had contained such a duty. British Aerospace had to report to the Secretary of State for Industry within six months on the steps necessary to carry it out. In making this report and in formulating its plans the corporation had to consult the trade unions in the industry. Mr Kaufman said he knew that the corporation was keen to press ahead with consultations with trade unions and he was sure that both the workers in the industry and the corporation would play their parts fully and constructively and take this opportunity to develop a genuine and functioning system of industrial democracy. Mr Kaufman emphasised that the future of the aircraft industry depended on obtaining orders. British Aerospace would have the capacity to work independently on some projects; but increasingly, in future projects, it would need to seek collaborative agreements with other European or American companies, just as did the most powerful American airframe manufacturers. The Government would ensure that the corporation had the funds it needed to develop new projects which were commercially viable.

### SIZE AND PRODUCT RANGE

Details of the size and activities of British Aerospace (BAe) were contained in an article in *Trade and Industry* (6 May 1977). The new corporation has 65,000 employees, 23 factories, gross assets of £600 million, gross sales expected in 1977 of over £800 million and an order book of over £1,500 million. BAe plans to move towards a structure with two groups – aircraft and dynamics. In the meantime, the present companies will continue in existence. The current international programmes of the BAe companies cover commercial and military aircraft, guided weapons, defence support services and space. Civil aircraft manufactured include the *BAC One-Eleven*, the supersonic airliner *Concorde*, built jointly with Aerospatiale of France, the *HS 125* executive jet, the *HS 748* transport aircraft, the *Trident* passenger airliner and *A300B Airbus*, another European venture. The new corporation is already involved in a number of space projects with European and United States companies. These projects include a variety of communications and scientific satellites. Military aircraft produced by BAe are the *Buccaneer* low-level strike and reconnaissance aircraft, the *Bulldog 120* basic training aircraft, the world's first operational jet V/STOL fighter, the *Harrier*, the *Hawk* ground attack/trainer, the *Jaguar*, built with Dassault-Breguet of France, the prop-jet powered light transport aircraft, the *Jetstream*, the world's first four-jet long-range patrol and maritime reconnaissance aircraft, the *Nimrod*, the *Strikemaster* for pilot and weapons training with operational strike and reconnaissance and the multi-role combat aircraft, the *Tornado*. The companies within the new corporation also produce a large range of guided weapons including air-to-air, air-to-surface, anti-submarine, anti-tank and surface-to-air missiles as well as a variety of other products such as instrumentation and mechanical equipment.

[1]British Aircraft Corporation, Hawker Siddeley Aviation, Hawker Siddeley Dynamics and Scottish Aviation.

## Offshore Oil and Gas

Britain received the first substantial benefits from offshore oil production during 1976, according to the annual review of the development of the oil and gas resources in the British sector of the Continental Shelf, published on 26 April.[1] Five oilfields came onstream in 1976 and there was a rapid increase in oil production, with benefits to the balance of payments through reduced demand for imported oil. Other important events during the year included the rapid development of the activities of the British National Oil Corporation (BNOC), the conclusion of agreements or understandings on State participation with nearly all the oil companies with interests in Britain's commercial oilfields, the fifth round of offshore licensing (see pp 126-7), the formation of a company to conduct further studies into gas-gathering pipelines (see p 34), the maintenance of successful exploration, and conclusion of the first international convention providing for compensation for pollution due to offshore oil and gas activities. The report points out the good prospects for 1977 and future years with a more rapid build-up of oil production than forecast previously, the elimination by 1980 of Britain's net oil import bill, large revenues from taxes and royalties on oil and gas, continued exploration drilling, the expectation of further orders for oil production platforms and the development of plans for petrochemical investment. Offshore oil production may account for 20 per cent of Britain's primary fuel demand in 1977 (rising to about 50 per cent by 1980) with natural gas contributing a further 20 per cent. The value of Britain's oil and gas reserves is estimated at over £300,000 million.

### Production and Reserves

Britain's oil production in 1976 totalled 12 million tonnes, comprising 11·5 million tonnes from the seven offshore fields in production (see Table 1), 400,000 tonnes of natural gas liquids and nearly 100,000 tonnes of oil from onshore fields. Two offshore oilfields – Claymore and Thistle – are planned to come onstream in 1977 and, as output builds up from the existing fields, the rate of oil production will grow quickly. Between 40 million and 45 million tonnes of oil are expected to be produced from the British Continental Shelf in 1977, equivalent to nearly half of Britain's demand for oil. Britain should achieve net self-sufficiency in oil by 1980, when production is forecast to range between 90 million and 110 million tonnes. During the early 1980s

[1]*Development of the Oil and Gas Resources of the United Kingdom 1977*. Department of Energy. HMSO, £2·25. ISBN 0 11 410298 8.

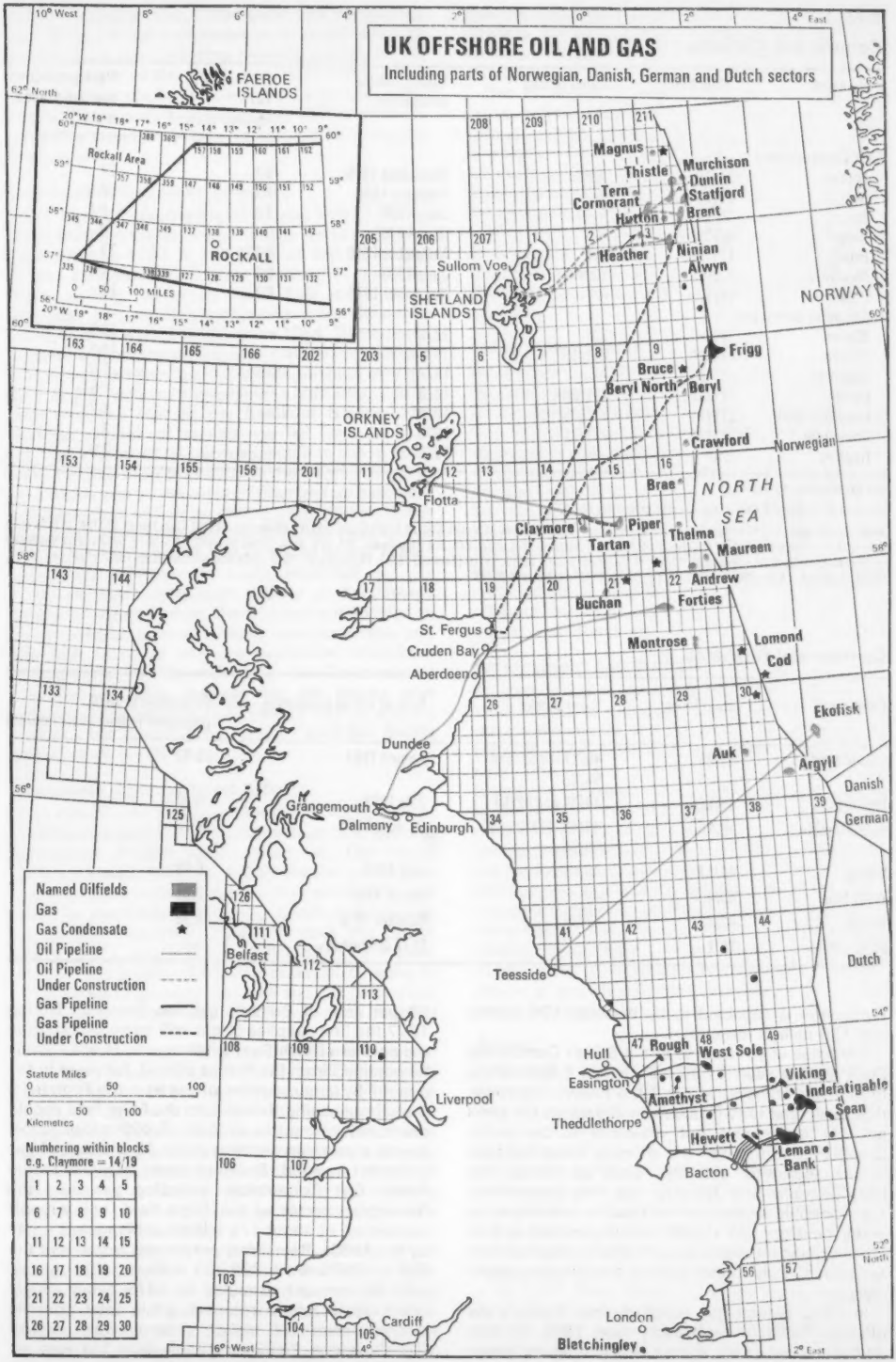
UK OFFSHORE OIL AND GAS
Including parts of Norwegian, Danish, German and Dutch sectors
FAEROE ISLANDS
Rockall Area
ROCKALL
0 50 100 MILES
SHETLAND ISLANDS
Sullom Voe
ORKNEY ISLANDS
Flotta
NORWAY
NORTH SEA
Norwegian
Danish
German
Dutch
Magnus
Thistle
Murchison
Dunlin
Statfjord
Brent
Tern
Cormorant
Hutton
Heather
Ninian
Alwyn
Frigg
Bruce
Beryl North
Beryl
Crawford
Brae
Claymore
Piper
Tartan
Thelma
Maureen
Andrew
Buchan
Forties
St. Fergus
Cruden Bay
Aberdeen
Montrose
Lomond
Cod
Ekofisk
Auk
Argyll
Dundee
Grangemouth
Dalmeny
Edinburgh
Belfast
Teesside
Hull
Easington
Rough
West Sole
Viking
Indefatigable
Amethyst
Sean
Theddlethorpe
Hewett
Leman
Bank
Bacton
Liverpool
Cardiff
London
Bletchingley
Named Oilfields
Gas
Gas Condensate
Oil Pipeline
Oil Pipeline Under Construction
Gas Pipeline
Gas Pipeline Under Construction
Statute Miles
Kilometres
Numbering within blocks
e.g. Claymore = 14/19

Table 1

**Commercial Oilfields**

| Field name | Main block | Other blocks | Date of initial production | Production in 1976 (million tonnes) | Peak production* (million tonnes a year) |
|---|---|---|---|---|---|
| Fields in production: | | | | | |
| Forties | 21/10 | 22/6a | November 1975 | 8·6 | 24 |
| Auk | 30/16 | — | February 1976 | 1·2 | 2·5 |
| Argyll | 30/24 | — | June 1975 | 1·0 | 1·1 |
| Beryl | 9/13 | — | June 1976 | 0·4 | 4 |
| Brent | 211/29 | 3/4 | November 1976 | 0·1 | 23 |
| Montrose | 22/17 | 22/18 | June 1976 | 0·1 | 2·4 |
| Piper | 15/17 | — | December 1976 | 0·1 | 12 |
| Fields being developed: | | | | | |
| Ninian | 3/3 | 3/8 | 1978 | — | 16·5 |
| Thistle | 211/18 | 211/19 | 1977† | — | 10·1 |
| Claymore | 14/19 | — | 1977† | — | 8·5 |
| Dunlin | 211/23 | 211/24 | 1979 | — | 7·5 |
| Statfjord (UK) | 211/24 | 211/25 | 1979 | — | 4·2 |
| Cormorant | 211/26 | 211/21 | 1979 | — | 3 |
| Heather | 2/5 | — | 1978 | — | 2·5 |

*As estimated by operators.

†Production in these fields is expected to start later in 1977.

*Note:* By the end of 1976 other significant discoveries had been made in blocks 210/25 (Tern field), 211/12 (Magnus), 211/13 (two finds), 211/16, 211/18 (two finds), 211/19 (Murchison), 211/27 (two finds), 211/28 (Hutton), 2/5, 2/10, 3/2, 3/4 (two finds), 3/7, 3/9, 3/11, 3/14a (Alwyn), 3/15, 9/12, 9/13 (Beryl North and another find), 9/19, 9/28 (Crawford), 11/30, 14/20 (three finds), 15/13, 15/16 (Tartan), 15/21, 15/23, 15/27, 16/7 (Brae and another find), 16/17 (Thelma), 16/21, 16/28 (Andrew), 16/29 (Maureen), 21/1 (Buchan), 21/2, 23/26a and 23/27

Table 2

**Commercial Gasfields**

| Field name | Main block | Other blocks | Date of initial production | Production in 1976 (thousand million cubic metres) |
|---|---|---|---|---|
| Leman Bank | 49/26 | 49/27, 49/28 and 53/2 | August 1968 | 15·92 |
| Hewett | 48/29 | 48/30 and 52/5a | July 1969 | 8·19 |
| Indefatigable | 49/18 | 49/19, 49/23 and 49/24 | October 1971 | 6·56 |
| Viking | 49/17 | 49/12a | July 1972 | 6·18 |
| West Sole | 48/6 | — | March 1967 | 2·04 |
| Rough | 47/8 | 47/3a | October 1975 | 0.52 |
| Frigg (UK) | 10/1 | — | 1977 (planned) | — |

production is expected to be between 100 million and 150 million tonnes.

Estimates of oil reserves in the British Continental Shelf are between 3,000 million and 4,500 million tonnes, the same as in the 1976 review. However, the upper limit now includes an allowance for areas not yet designated but expected to be under Britain's control when the dividing lines between Britain and other countries, such as France, the Irish Republic and Norway, are fully determined. Total possible reserves of the fields in production or under development (1,260 million tonnes) and of other significant discoveries (1,240 million tonnes) are both slightly higher than in the previous year's review.

In 1976 natural gas supplied from Britain's six offshore fields in production (see Table 2) was 39,400 million cubic metres, accounting for about 98 per cent of Britain's gas requirements. During 1977 the first supplies of gas will come ashore from the northern North Sea; small quantities will initially be obtained from the Forties oilfield, followed in the autumn by larger supplies of gas from the Frigg field. Supplies reaching Britain from the Frigg field should eventually amount to at least 15,000 million cubic metres a year, representing about 40 per cent of gas currently supplied. Reserves under contract to the British Gas Corporation, including gas from the Norwegian sector of the Frigg field, will support production of about 170 million cubic metres a day by the 1980s. Remaining proven gas reserves at the end of 1976 were 809,000 million cubic metres, with the amount extracted in 1976 being almost offset by increased reserves, while total possible reserves were 1·4 million million cubic metres. Gas Gathering Pipelines (North Sea) Ltd was set

up by the British Gas Corporation, the BNOC and four private sector companies to be responsible for studies on a gas-gathering pipeline system in the northern basin of the North Sea, primarily to bring ashore gas produced in association with oil; if the project proves viable, the company will recommend a suitable pipeline system for consideration by the Government.

### Exploration and Development

There were 12 discoveries of oil and two of gas in 1976, bringing the number since the start of offshore exploration in 1964 to 73 (45 of oil and 28 of gas or gas condensate). A sharp increase in development drilling occurred, and 140 exploration, appraisal and development wells were drilled in 1976, making a total of 936 since 1964. The success ratio for exploration drilling was maintained at about 1 in 5, compared with a worldwide offshore average of 1 in 20, while an exceptionally high rate, 1 in 2, was recorded east of the Shetland Islands. The average number of mobile rigs fell from 27·7 in 1975 to 21·2 in 1976, but is expected to rise in 1977 with a higher level of activity to the west of England and Wales and to the west of Shetland as operators complete their obligatory drilling programmes. Some 345 miles (555 kilometres) of pipeline were laid in 1976 and the laying of the pipelines to the Ninian and Cormorant fields was nearly completed.

To maintain exploration activity at a relatively stable level in the future, the Government decided to license smaller areas of territory more frequently and the fifth round of offshore petroleum production licensing was the first of this type. The Government's intention to offer licences for 44 blocks was announced in February 1977 (see pp 126-7) and the licences will probably be formally awarded during the summer of 1977.

### Economic and Industrial Effects

The benefits to Britain's balance of payments in 1976 amounted to over £2,000 million from gas and to almost £1,000 million from oil. The report predicts a rapid increase in the benefits, particularly from oil, as a result of the growth in production and a fall in the value of imported goods and services as offshore investment passes its peak and British firms take a larger share of the offshore market. By the end of the 1970s the potential benefits to the balance of payments from oil and gas production will be about 5 per cent of Britain's gross national product.

Revenue from oil and gas production is expected to amount to some £5,500 million at 1976 prices up to the end of 1980, rising to about £4,250 million a year in the early 1980s. Yields from royalties in 1976 were £44·2 million from oil and £22·4 million from gas. At present receipts from petroleum revenue tax and corporation tax are small as oil taxation is designed to encourage development by allowing companies to recover their capital costs early in the productive life of oilfields.

Offshore-related investment accounted for about 25 per cent of Britain's industrial investment in 1976. Between 1965 and 1976 expenditure on existing offshore oil and gas developments totalled some £5,000 million, while £2,000 million remains to be spent and a further £3,000 million may be invested in new developments up to 1980. The report says that offshore investment will continue to provide an important contribution to Britain's industrial regeneration.

Gas produced in association with oil is rich in heavy natural gases, such as ethane, propane and butane, which can be used as a petrochemical feedstock. Two petrochemical plants – a heavy natural gas separation plant and an ethylene cracker – using gas from the Brent oilfield have been proposed for construction at Mossmorran (Fife) and planning applications are being considered by the Secretary of State for Scotland. Further large-scale petrochemical schemes are possible, particularly if a decision is made to build a gas-gathering pipeline network.

### State Participation

By the end of February 1977 agreement had been reached by the Government and the BNOC with 25 companies on terms for majority State participation in their interests in commercial oilfields. Four agreements are definitive and the remainder are outline agreements which are being developed into detailed definitive agreements. The BNOC has become the operator for the Thistle field and has secured access to between 35 million and 40 million tonnes of oil in the 1980s from equity stakes, participation arrangements and royalties. Majority State participation is provided for in the fifth round of offshore licensing and the BNOC will have an operational interest in six blocks.

### Employment and Training

At least 100,000 people in Britain are engaged on work directly or indirectly related to offshore oil and gas developments. In 1976 the number working on offshore installations was some 9,200, about 50 per cent higher than in 1975. In June 1976 most provisions of employment legislation were extended to cover the British Continental Shelf. A memorandum of understanding was agreed in August 1976 by the Department of Energy and bodies representing the interests of operators and trade unions under which operators agree to facilitate reasonable union access to offshore installations when requested by designated union officials. Facilities offered by the Drilling Technology Training Centre at Livingston (Lothian) are to be transferred to Montrose (Tayside) where a new fire-fighting training centre is also being established.

### Safety

Following a review of Government responsibilities for health and safety of workers involved in offshore oil and gas operations, the Prime Minister, Mr James Callaghan, announced on 30 July 1976 that the application of the Health and Safety at Work etc Act 1974 would be extended to cover workers in the offshore oil and gas industry. The Health and Safety Commission will become responsible for occupational safety matters offshore, while the Department of Energy will remain responsible for structural safety requirements and safe production of oil.

In 1976 there were 20 deaths and 57 serious accidents among offshore workers, a higher total than in 1975, but with substantially higher offshore employment, casualty rates were, generally, little

different. Three further sets of safety regulations were made and three more were being prepared.

Two new Royal Navy ships have entered service for the protection of offshore installations and for fishery protection (see p 98) and a further three vessels should be operating by early 1978.

### Pollution

In December 1976 Britain, Belgium, Denmark, the Federal Republic of Germany, France, the Irish Republic, the Netherlands, Norway and Sweden agreed, at a conference held in London and sponsored by Britain, on the text of an international convention, the first of its kind in the world, under which compensation will be payable by offshore operators for oil pollution damage caused by their activities in the waters off the coasts of countries which accede to the convention. The maximum amount available for compensation will be at least $35 million an incident from May 1977 (when the convention will be opened for signature), rising to $45 million by 1982. Four of the countries concerned will have to ratify the convention to bring it into operation; legislation will be necessary before Britain can ratify the convention.

In 1976 nine oil spills from offshore installations were reported to the Department of Energy, but total spillage did not exceed 60 tonnes. A spill of about 600 tonnes in January 1977 was successfully dealt with. Offshore operators have been asked to submit oil spill contingency plans to the Department of Energy; most have been collected and are being examined by the department in collaboration with the Department of Trade to ensure their adequacy and compatibility with the Government's plans.

## Road Safety

Although the decline in casualties on the roads of Great Britain ended in 1976, the number of casualties remained below the level of the early 1970s, according to detailed provisional figures issued by the Department of Transport on 13 April. Deaths and serious injuries both rose by 3 per cent in 1976, to 6,577 and 79,500 respectively, and the number of slight injuries increased by 5 per cent to 253,500, while motor traffic increased by 4 per cent. Between 1970 and 1976 road casualties fell by 7 per cent despite a 22 per cent rise in motor traffic.

An analysis of casualties by types of road user is given in the table. The different rates of change reflect, in general, changes in the pattern of traffic. Two-wheeled motor vehicles, especially mopeds and motorcycles, have become more popular and in 1976 casualties among their users rose by 21 per cent, while mileage travelled increased by 19 per cent; both casualties and mileage have nearly returned to the levels of ten years ago. Car and taxi mileage rose by 4 per cent in 1976, while casualties to users of these vehicles increased by 3 per cent. Although goods vehicle mileage grew by 3 per cent, casualties to users of goods vehicles fell by 3 per cent. Pedestrian casualties fell by 1 per cent, casualties to children falling by 5 per cent to 28,900 and casualties to adults remaining virtually unchanged at 39,000.

## Metrication

Recent progress in metrication in Britain has been the subject of three reports published during April – the first from the Department of Prices and Consumer Protection (DPCP), the second from the Price Commission and the third from the Metrication Board.

### DEPARTMENT OF PRICES AND CONSUMER PROTECTION REPORT

The report on progress in metrication and further planned developments presented to Parliament by the Minister of State for Prices and Consumer Protection, Mr John Fraser, on 5 April[1] was the first of an annual series and arises from an undertaking given by the Government during the course of the passage of the Weights and Measures etc Act 1976 (see p 10). A forecast of further planned developments in the metrication programme is

[1] *Metrication.* Report by the Department of Prices and Consumer Protection, April 1977 (to be published by HMSO).

**Road Casualties in 1976**

| | Killed | Seriously injured | Slightly injured | Total casualties | % change compared with 1975 |
|---|---|---|---|---|---|
| Pedestrians | 2,342 | 18,291 | 47,875 | 68,508 | –1 |
| Pedal cyclists | 301 | 4,633 | 18,289 | 23,223 | +11 |
| Users of: | | | | | |
| Mopeds | 121 | 3,665 | 10,723 | 14,509 | +28 |
| Motor scooters | 20 | 667 | 1,816 | 2,503 | –23 |
| Motorcycles | 849 | 14,531 | 35,249 | 50,629 | +22 |
| Cars and taxis | 2,519 | 32,340 | 113,950 | 148,809 | +3 |
| Public service vehicles | 69 | 1,296 | 11,428 | 12,793 | –12 |
| Goods vehicles | 308 | 3,623 | 12,618 | 16,549 | –3 |
| Other vehicles | 48 | 458 | 1,576 | 2,082 | +10 |
| Total | 6,577 | 79,504 | 253,524 | 339,605 | +5 |

included. The Government intends that the report should be a framework within which extensive consultations may take place with interested parties in order to complete the transition to the metric system as smoothly as possible. This is now expected to take another four or five years.

The use of metric units for contracts was made legal under the Metric Act of 1864 and their use for trade was made legal in 1897. Since then metric usage has become more and more widespread particularly since 1965 when the Government of the day first announced its support for the adoption of the metric system. The inevitability of this changeover, given the world-wide dominance of the system and Britain's vital trade needs, was recognised by the Government in the White Paper on Metrication of 1972[1] (see p 118, 1972). A major recent landmark was the passage of the Weights and Measures etc Act 1976 which, among other things, removed an obstacle to completion of the changeover by amending a section of the Weights and Measures Act 1963 which had obliged the Government to maintain the use of imperial units.

The report is primarily concerned with the operation of the Weights and Measures Acts 1963 and 1976 and subordinate legislation made under those Acts and the use of particular units of measurement for trade purposes – the area of most concern to the consumer.

Although concentrating on the retail sector – most affected by the 1976 Act – the report gives a brief general survey of progress in metrication so far. Metric units are used in a large part of industry and predominantly in education at all levels.

### European Community Directive

Existing developments in metrication are taking place against a background of Britain's obligations as a member of the European Community. In 1972 the Government of the day accepted under the treaty of accession the existing Community policy of adoption in the long term of the international system (SI) units as the sole system of units of measurement to be used throughout the Community. All that remains to be settled, the report says, is the timetable for the phasing out of non-SI units (including imperial units) throughout the Community. The current directive on units of measurement begins this phasing out process by setting certain deadlines.

### Retail Sector Programme

The report details the future programme of the retailing sector and the effects of metrication on the main ways in which goods are sold: prescribed quantities, non-prescribed quantities, catchweight (unrestricted as regards weight) and weighed and measured out at the time of purchase.

Under the Weights and Measures Act 1963 certain goods, including a great many common food items, may be sold, when prepacked, only in certain prescribed quantities. These restrictions are imposed in order to help the consumer to make effective judgments of value for money. When the 1963 Act was passed the prescribed quantities were specified in terms of imperial units. Since 1973 a number of Orders have been made under the 1963 Act introducing metric prescribed quantities as alternatives to the imperial range. According to the report, the Government intends to proceed from there to the complete phasing out of imperial ranges, in most cases through an intermediate stage that bears on manufacturers (or packers) and importers but not on traders further down the distribution chain. The dates for what may be called 'manufacturing' and 'final' cut-offs will vary for different products.

The Government considers that metrication and the forthcoming changeover from minimum to average weight declaration will enable a significant extension of prescribed quantity legislation – the most important consumer protection policy in regard to weights and measures. A draft European Community directive is currently under consideration which will help to pave the way. Industry and consumers will be fully consulted about any specific moves in this direction.

Many goods which are prepacked in predetermined quantities are not subject to prescribed quantities legislation and may, therefore, be sold in any quantity. The only change required by law is in the units used in the declaration of quantity. The Weights and Measures (Marking of Goods and Abbreviation of Units) Regulations 1975 require that from 1 January 1978 most prepacked goods will have to be marked in both metric and imperial terms. In practice a great many common household items have already been dual-marked for several years. A number of manufacturers have already voluntarily decided to adopt round metric sizes for some of their goods. The Government hopes that other manufacturers will follow suit wherever practicable. The adoption of round metric sizes will make it easier for the consumer to make value-for-money comparisons.

Part of retailing is largely concerned with weighed and measured-out goods, such as cheese or fresh meat which may be weighed out in front of the customer. The same goods are also frequently sold prepacked as catchweight items which are not made up in predetermined quantities. For practical reasons it is not generally possible to require dual marking for these goods. During the passage of the Weights and Measures Act 1976 the Government gave an undertaking that in the three main weighed-out sectors – that is to say meat, fish, and fruit and vegetables – no Order would be made before 1 January 1980 which would have the effect of prohibiting imperial sales of these goods. In order to provide the necessary certainty, concentrated consultations are taking place with a view to fixing either one or a series of cut-off dates for these three main sectors and to introducing the necessary legislation as soon as possible. The actual cut-off date or dates should come into effect during the period 1980 to 1981.

The report emphasises the need for adequate consumer safeguards during the changeover period, for which the 1976 Act specifically provided. On prices, the Government recognises that there is a genuine consumer fear that metrication might be made the excuse for unjustified price increases. In fact the evidence on this has so far been extremely encouraging. A special reference was made to the

[1] *Metrication*. Cmnd 4880. HMSO, 26½p.

Price Commission to monitor price changes as products go metric, and its report (see below) shows that metrication in the cases studied is not leading to higher prices. The Department of Prices and Consumer Protection in its report considers whether there is a role for unit pricing (expressing prices per imperial or ultimately, per metric, unit) in protecting the consumer during the changeover. It examines also the role of dual quantity marking (metric and imperial) as an aid to consumer protection.

In the consumer information area, the 1976 Act provides powers for the Government to require the display of metric information and the Metrication Board is advising the Government on consumer needs for aids and charts. The DPCP report looks at the work of the board, whose primary responsibility is to see that shoppers and the general public are informed, educated and advised about the metric changes affecting them. The report concludes that it will be four or five years before the metrication programme can be completed in Britain. The Government, by introducing the Weights and Measures etc Act 1976, showed that it was prepared to shoulder the responsibility for ensuring that the changeover is satisfactorily completed. There is everything to be gained, it says, by pushing ahead steadily at a reasonable pace with specific, published and firm deadlines. Failure to do so will simply prolong the period of confusion and extra costs for the nation and delay the substantial benefits to be derived from operating on a single system of measurement which is used throughout the rest of the world. The Government is looking to all those affected, and particularly consumer organisations, trade and industry, to play their part in ensuring that the final stages of the metric changeover are as smooth as possible.

## METRICATION AND RETAIL PRICES

According to a report issued by the Price Commission on 6 April[1] metrication has not led to increases in the retail prices of sugar, biscuits, dried vegetables and salt.

The commission was asked in July 1976 by the Secretary of State for Prices and Consumer Protection to keep under continuous review the effect of metrication on retail prices. This is the first report submitted in reply to this request and covers the study of the effect of metrication on the prices of 12 separate brand-named packs of biscuits, sugar, dried vegetables and salt.

In monitoring and analysing prices, allowance was made for changes to pack size. Of the 12 examples studied there were in six cases reductions in recommended or modal (most usual) retail prices. In two cases no change in price was observed.

In the remaining four cases price increases which were implemented by the manufacturers to coincide with the introduction of metric packs, had been notified in advance to the Price Commission.

Although this may well have been a convenient time for the manufacturers to introduce a price change, the commission hopes that it is a practice which will be avoided wherever possible, so that consumers will not regard metrication with unjustifiable suspicion.

The commission thinks that ideally manufacturers' selling and recommended retail prices should not be increased for a period of some two months during which metrication takes place. The commission suggests that a code of practice along these lines might usefully be negotiated with trade associations involved in future proposals for metrication.

It is recognised that for technical reasons the changeover to metric packs for certain products may have to be spread over a protracted period and, therefore, it may not always be reasonable to ask manufacturers to freeze prices during the entire period. It is hoped, however, that exceptions of this kind would be infrequent.

## METRICATION BOARD

The eighth report of the Metrication Board[1] was published on 28 April. The outgoing chairman, Lord Orr-Ewing, referred to the extent of the voluntary progress made in 1976 in the metrication programme and said that there had been more evident metric progress in that year than in the previous years together. Lord Orr-Ewing has been succeeded as chairman of the board by Mr J. M. Wood, a member of the Consumer Consultative Committee of the European Economic Community as well as of numerous British bodies, who said that cut-off dates for the final stages of metrication were being settled and should be announced in the autumn. The target for final completion was 1980-81.

[1] *Metrication and Retail Prices – The First Report: Granulated Sugar, Biscuits, Dried Vegetables and Salt.* Price Commission Report No. 24 – available on request from the Commission, Neville House, Page Street, Westminster, London SW1P 4LS.

[1] *Going Metric 1976 – the final stage begins.* HMSO, £1·20. ISBN 0 11 700325 5.

# SOCIAL AND CULTURAL AFFAIRS

## Health

Recent developments include a decision to allow the controlled use of certain tobacco substitutes in cigarettes; the publication of a House of Commons Select Committee report on preventive medicine; and an agreement between the Government and the pharmaceutical industry on aspects of the costs of drugs to the National Health Service (NHS).

### SMOKING AND HEALTH

The Independent Scientific Committee on Smoking and Health (the Hunter Committee) has decided to permit the carefully controlled use of two tobacco substitutes in cigarettes for sale in Britain. Details of the committee's views were given on 31 March by the Secretary of State for Social Services in a written parliamentary answer (*Hansard*, written answers, cols 226-8). New measures to minimise the health risks of cigarette smoking were announced in March (see p 130).

The substitutes are *Cytrel* and *New Smoking Material*. Before marketing occurs the committee will require the manufacturing companies concerned to obtain its agreement to their methods of conducting long-term human health studies and to set a firm date for the start of the studies. The committee is not prepared to see the unrestricted use of these substances; it wishes manufacturers to state the precise proportions contained in the cigarette and the other specifications of the cigarette. In addition it wants to see the progressive development of milder cigarettes. Although the immediate intention of the companies is to market cigarettes containing substances with a very low tar and nicotine yield, the committee wishes to retain its influence in case they ever consider marketing a brand with a high tar and nicotine tobacco and containing substitutes designed to reduce the tar and nicotine yield.

#### Additives

The committee also considered a list of some 400 additives which have been in use for some 20 years in western Europe and North America and which have not shown evidence of adverse effects. It has raised no objection to about 370 flavourings, colourings and other substances being added to tobacco, subject to limits on quantity. In the case of 30 other additives, manufacturers will have to submit to the committee details accompanied by complete scientific data to satisfy it about safety; this applies to additives which do not have a long history of use and to those for which further evidence is needed.

### PREVENTIVE MEDICINE

More emphasis on preventive medicine is urged in a report by the social services and employment sub-committee of the House of Commons Expenditure Committee, published in April.[1] The report and the minutes of evidence concern an inquiry into preventive medicine undertaken in the session 1976-77.

Among the recommendations on health education are increased financial support for the Health Education Council, more and improved teaching at school, and greater importance given to the subject in the training of teachers. The report also says that the professional bodies should take steps to increase the number of general practitioners interested in health education and that preventive medicine should be considered an important part of the medical student's curriculum. Other recommendations favour the employment of more health visitors and the establishment of a centrally administered fund for the training of health visitors and health visitor tutors.

Discussing the problem of smoking and health, the report argues that any degree of cigarette smoking is likely to harm the individual. Suggested measures to discourage the habit include a ban on advertising tobacco and tobacco products except at point of sale, stricter control of advertisement through sponsorship, an annual increase in duty sufficient to reduce consumption, the restriction of cigarette machines to premises not readily accessible to children, and a much stronger health warning on packets pointing out that smoking is a major factor in causing lung cancer, bronchitis and heart disease.

On the question of alcoholism, the report says that a larger proportion of the amount raised in duty and taxation on alcoholic drink should be devoted to educating children and young adults about the dangers of dependence on alcohol. Alcoholic drink should not be allowed to become a relatively cheap item in the shopping basket.

[1] *Preventive Medicine*. Vol. 1 Report. HMSO, £1·60. ISBN 0 10 216977 2. Vol. 2 Minutes of Evidence. HMSO, £6·85. ISBN 0 10 277677 6. Vol. 3 Minutes of Evidence, Appendices and Index. HMSO, £7·50, ISBN 0 10 277777 2.

On dental health education, the report urges an intensive campaign in schools and for the general public. The sub-committee makes no recommendation concerning fluoridation of water supplies but wants more research into its long-term effects. The report favours the employment and training of more dental hygienists, and says that 'fissure sealants and topical fluoride application' should be made available in the NHS.

Screening people to discover possible diseases is another form of prevention. The report says that people should be encouraged to have regular health checks, and supports the early introduction of screening for those women most at risk from breast cancer.

The sub-committee argues that more of the resources devoted to high technology medicine should be re-allocated to preventive medicine and that children should be treated as of first priority for preventive programmes. In this connection all those working in the NHS, especially family doctors, should emphasise to the public the importance of vaccination and immunisation.

Other topics discussed include family planning, diet and exercise.

### PHARMACEUTICAL COSTS AND THE HEALTH SERVICE

Following discussions between the Government and the pharmaceutical industry, an agreement has been reached concerning the costs of drug sales promotion to the NHS, undesirable sales promotion practices, and the future of the voluntary price regulation scheme which controls the profits of pharmaceutical companies. Details of the agreement were revealed on 28 April by Mr David Ennals, Secretary of State for Social Services, in statements to the House of Commons (*Hansard*, written answers, cols 391-3), a press conference, and the annual dinner of the Association of the British Pharmaceutical Industry.

Under the voluntary price regulation scheme, the Government agrees with the industry the price of drugs purchased by the NHS. The agreed price covers part of the costs of expenditure by the companies on the promotion of their products. The element in the price allowed for promotion amounts to 12 per cent of sales (before July 1976 it was 14 per cent). The agreement further reduces it to 10 per cent of sales from 1979.

At the press conference, Mr Ennals said that the cost of large quantities of pharmaceutical advertising literature was wasteful and that by 1979 an extra £13 million would be released for patient care as a result of the cut in promotion costs. The industry will remain free to spend as much as it likes on promotion but not at the expense of the NHS which is a major buyer of the industry's products.

#### Quality of Advertising

Agreement has been reached with the industry to control incomplete or misleading advertising. At present there is a code of conduct enforced by the code of practice committee of the Association of the British Pharmaceutical Industry. According to Mr Ennals, there is no guarantee that breaches of the code come before the committee or, if they do, that this happens before the offending advertisement has achieved its objective.

Under the new agreement regulations will be made under the Medicines Act to ensure that advertisements contain information about active ingredients, indications for use, dosage, major side effects, precautions, and the basic cost to the NHS of the preparation. Fact sheets about the preparation will have to be placed before a doctor whenever he or she is visited by a company representative; these fact sheets will first be approved by the Government health ministers.

Samples, other than those required to enable a doctor to recognise a preparation, will be supplied only when a doctor requests them in writing. The cost of these and gifts to doctors will not be allowed against profits.

The industry has agreed to a new and more stringent code of practice. Advertising material will be approved by a doctor who will certify that the material is correct and impartial, the doctor being nominated by the company. In addition the industry will make a sample check of advertisements as they appear; apparent breaches of the new code will be referred to its code of practice committee which will be strengthened by the appointment of two independent doctors. Any advertisement objected to by the Department of Health and Social Security will be immediately withdrawn pending reference to the code of practice committee. Regulations are to be made to prohibit the use of misleading graphs, to govern the presentation of multi-page advertisements, and to prevent the misuse of such words as 'safe'.

#### Price Regulation

Changes are being made in the price regulation scheme, to be known in future as the Pharmaceutical Price Regulation Scheme. Each firm will be required to submit to the Secretary of State a financial forecast at the beginning of the year so that advanced warning can be given of any unacceptably high profits and corrective charges discussed before, and not after, the profits are made.

## New Towns and Inner Cities

Government policies on the future of new towns in England and on regeneration of inner city areas were outlined in statements made by the Secretary of State for the Environment, Mr Peter Shore, in the House of Commons on 5 April (*Hansard*, cols 1110-13) and 6 April (*Hansard*, cols 1226-9). The statements confirmed and expanded policies foreshadowed by Mr Shore in his speech at Manchester in September 1976 (see p 411, 1976) and contained a number of specific proposals.

On 2 May (*Hansard*, written answers, cols 15-16) Mr Shore gave details of how the first instalment of the £100 million of construction aid for inner cities, announced by the Chancellor of the Exchequer in his Budget speech (see p 157), would be distributed.

Proposals concerning the revision of population

targets for the new towns will form a basis for consultations between the Government, the development corporations (bodies appointed by the Government to create and plan the growth of each new town) and the relevant local authorities, and the Secretary of State hopes to report final decisions to Parliament by the summer and thus 'establish a sound basis for the final stage of our new towns programme'. Proposals on measures for the regeneration of the inner cities will be incorporated in a White Paper to be laid before Parliament as soon as possible.

## NEW TOWNS

The main changes outlined concern the future of the six 'third generation' new towns (Central Lancashire, Milton Keynes, Northampton, Peterborough, Telford and Warrington), launched in the mid and late 1960s at a time when the population of England and Wales was expected to rise to 60 million by 1991 instead of the 51 million now considered more probable. The Minister pointed out that against this population forecast must be set a continuing increase in the number of potential households, as well as the infrastructure already provided in these new towns and the need to allow them to develop into balanced and viable communities. The towns were, he said, 'like their predecessors, one of the outstanding successes of post-war Britain'. Nothing he proposed to do should reduce their ability to continue building on the foundations already laid.

Mr Shore proposed a total reduction of some 380,000 in the population targets for the third generation new towns. Taking into account natural as well as induced growth, this means an eventual population of 200,000 for Milton Keynes (original target 250,000); 180,000 by 1990 for Northampton (230,000); 160,000 by the mid-1980s for Peterborough (180,000); 150,000 by 1990 for Telford (220,000); and 170,000 by the late 1980s for Warrington (205,000); while the plan for Central Lancashire, the most recently designated of the new towns in England, has been modified to provide for a population intake of 23,000 compared with over 100,000 previously proposed.

Within the reduced targets, the Minister stressed that the new towns must do more to help the inner cities by taking a higher proportion of disadvantaged people, and they must also do more to meet the growing demand for owner occupation.

No major changes are proposed for the earlier new towns of Basildon, Bracknell, Corby, Harlow, Redditch, Runcorn, Skelmersdale and Stevenage. Most of these, said Mr Shore, had now 'largely and successfully fulfilled the purpose for which they were established' and, subject to the necessary consultations, he proposed that the development corporations should be wound up within the next five years. Discussions will be started with the local authorities on arrangements for the continued normal growth of the towns, including the housing needs of the people born there and the requirements of industry. No fundamental changes are contemplated for the three new towns in the north-east of England (Aycliffe, Peterlee and Washington). However, Mr Shore said he was 'still considering the contribution which these towns can make to the economy of the north-east', and he would make a further statement.

(The planned development of the other four new towns in England – Crawley, Hatfield, Hemel Hempstead and Welwyn Garden City – has already been substantially completed and, as provided for in the New Towns Act 1959, their development corporations have been wound up and the assets transferred to the Commission for the New Towns set up under the Act.)

## INNER CITIES

In his statement on the inner cities Mr Shore said that a new priority – an 'inner city dimension' – needed to be given to the Government's main policies and programmes and a new inner area emphasis to the policies and organisation of local authorities. To secure a more unified approach to urban problems he announced the transfer of the Urban Programme[1] from the Home Office to his own Department of the Environment and to the Welsh Office. The programme is to be recast so as to cover economic and environmental as well as social projects. Priority will be given in the early years to the inner areas of the major cities, but in later years other cities and towns will have increasing access to assistance under the programme. Government finance will be increased from the present level of under £30 million annually to £125 million in 1979-80. The Government hopes to increase the sum further in later years and intends that the programme should form a continuing commitment of about £1,000 million over the next decade. Mr Shore pointed out that this aid is additional to the funds which will be available for construction work in the inner cities (see below).

A feature of the inner city proposals is the introduction of partnership arrangements between the Government and the authorities of certain cities, involving the joint preparation of inner area programmes. Partnerships will be offered to Liverpool, Birmingham, Manchester/Salford and, in London, to Lambeth and the Docklands authorities. The Government will consider partnership proposals from other authorities with major inner area problems although, in order to make the best use of resources, selection will need to be limited. Outside the partnership arrangements, the Government will consider linking urban grants to inner area programmes prepared by authorities.

Immediate priority will be given to strengthening the economies of the inner cities. Suitable firms will be encouraged to establish themselves there and greater powers will be given to local authorities to assist industry and to designate industrial improvement areas. Local authorities will be urged to give more consideration in planning policies to the needs of industry, particularly of small firms.

### Distribution of Construction Aid

The first instalment, amounting to £57 million, of the £100 million of construction aid for inner cities

[1]A programme, launched in 1968, under which Government aid has been made available to local authorities to relieve social problems caused by various forms of urban deprivation.

over the next two years, will be distributed among the proposed 'partnership' authorities. In his statement of 2 May, Mr Shore said that the Government had asked for building programmes of up to £11 million each in Birmingham, Liverpool and Manchester/Salford, up to £17 million in the London Docklands and up to £5 million in the Borough of Lambeth. A further £2 million will go to the Inner London Education Authority to be used for the Docklands and Lambeth.

Of the balance of construction aid, £26 million will be available for programmes in other inner city areas in England.

### Scotland

The Secretary of State for Scotland announced on 6 April that he was in general agreement with Mr Shore's statement on inner cities. He referred in particular to its relevance to Glasgow where a major urban renewal project, which is being co-ordinated by the Scottish Development Agency at an estimated capital cost of £120 million, was initiated in 1976.

There will also be a major expansion of the resources available to Scotland under the Urban Programme, which will be built up from the present £6 million to over £20 million annually by 1980-81– in addition to Scotland's share over the next two years of the construction aid for inner cities. These increased resources, the Secretary of State said, would enable local authorities to plan co-ordinated rehabilitation schemes for large areas of deprivation, taking into account all the needs of the areas and of their residents.

# DOCUMENTATION

*(Documentation excludes publications referred to in Survey articles)*

## External Affairs and Defence

*NATO: The British Contribution.* COI, Factel No 659.

*Review Body on Armed Forces Pay, Sixth Report 1977.* Cmnd 6801. HMSO, 45p. ISBN 0 10 168010 4.

*Exchange of Notes between the Government of the United Kingdom . . . and [France] amending the Exchange of Notes of 24 November/5 December 1939 concerning the New Hebrides.* Cmnd 6712. HMSO, 25p. ISBN 0 10 167120 2.

*Exchange of Notes between the Government of the United Kingdom . . . and Seychelles concerning the return to Seychelles of the Islands of Aldabra, Desroches and Farquhar.* Cmnd 6713. HMSO, 15p. ISBN 0 10 167130 X.

*Exchange of Notes terminating the Agreement signed on 26 July 1965 between . . . the United Kingdom . . . and . . . the Maldive Islands.* Cmnd 6728. HMSO, 15p. ISBN 0 10 167280 2.

## Economic and Scientific Affairs

*Exchange of Notes concerning a Loan by the Government of the United Kingdom . . . and . . . Peru (United Kingdom/Peru Loan Agreement No 2/1975).* Cmnd 6754. HMSO, 45p. ISBN 0 10 167540 2.

*Exchange of Notes concerning a Loan by . . . the United Kingdom . . . to . . . Thailand.* Cmnd 6716. HMSO, 35p. ISBN 0 10 167160 1.

*Export Credits Guarantee Department (ECGD).* Provisional figures show that the value of exports insured by the ECGD is running at an annual rate of about £12,000 million, compared with a total of £8,391 million in 1975-76. The department also reports an increasing volume of business from exporters seeking credit limit approvals on their overseas buyers. ECGD press notice, 2.5.77.

*Manpower Services Commission (MSC).* In answer to a question in the House of Commons, the Secretary of State for Employment, Mr Albert Booth, has announced that with effect from 1 July, responsibility for the activities of the MSC in Scotland and Wales will be transferred from the Secretary of State for Employment to the Secretary of State for Scotland and the Secretary of State for Wales. Responsibility will likewise be transferred for the careers service. The proposal was originally set out in the White Paper on devolution (see p 467, 1975). *Hansard,* 21.4.77, written answers, cols 124-5.

*Hazardous Substances (Conveyance by Road) Tank Labelling Regulations 1977, and Transport Hazard Information Rules.* Health and Safety Commission Consultative Document. Available free from the Enquiry Point, Health and Safety Executive, Baynards House, 1 Chepstow Place, London W2 4TF.

*Price Commission. Report for the period 1 December 1976 to 28 February 1977.* HMSO. £1·40. ISBN 0 10 231377 6.

*Monopolies and Mergers Commission – proposals relating to restrictions on advertising by stockbrokers.* The Minister of State for Prices and Consumer Protection, Mr John Fraser, announced that stockbroking firms were to have more freedom to advertise their services and that the Stock Exchange's restrictions on advertising were being relaxed. The new rule to allow this followed the discussions that had taken place after publication of the Monopolies and Mergers Commission's report on restrictions on advertising by stockbrokers (see p 369 1976). *Hansard,* 28.4.77, written answers, cols 369-71 and Department of Prices and Consumer Protection press notice 147, 28.4.77.

*Strategic Plan for the Northern Region.* The final report of the team, sponsored by the Government, the North Regional Planning Committee and the Northern Economic Planning Council, that began studying the region's problems and potential in mid-1974. Vol 1 *Main Report,* £3·50, ISBN 0 905771 01 X; Vol 2 *Economic Development Policies,* £4·25, ISBN 0 905771 02 8; Vol 3 *Social and Environmental Policies,* £4·25, ISBN 0 905771 03 6; Vol 4 *Settlement Pattern and Transport Policies,* £4, ISBN 0 905771 04 4; Vol 5 *Public Expenditure Priorities,* £2·25, ISBN 0 905771 05 2. Published by the Northern Region Strategy Team. Available from HMSO.

*Changes in Assisted Areas.* Changes in the status of parts of the Assisted Areas were announced by

the Secretary of State for Industry, Mr Eric Varley, on 14 April. The Hull and Shotton travel-to-work areas and the Grimsby Employment Office Area were upgraded from Intermediate Areas to Development Areas; the Lanark, Cumnock, Kilbirnie, Dundee and Arbroath Employment Office Areas were upgraded from Development Areas to Special Development Areas; and the Aberdeen travel-to-work area, Malton, Northallerton, Pickering, Richmond and Thirsk were to be downgraded from Development Areas to Intermediate Areas. The upgradings came into force immediately (14 April); the downgradings are to take effect on 1 April 1978. The announcement also contained an explanation of the effect of these changes on incentives offered by the Government to industry in the Assisted Areas and on the Industrial Development Certificate scheme. Department of Industry press notice, 14.4.77.

*British Industry Today: Manufacturing Industries.* COI R5982.

*British Industry Today: Organisation and Production.* COI R5628.

*New Advisory Service for Smaller and Medium-sized Engineering Firms.* The Secretary of State for Industry, Mr Eric Varley, announced in the House of Commons on 4 May that he is setting up a Manufacturing Advisory Service to help small and medium-sized companies in manufacturing industry to increase efficiency by adopting modern but well-proven technology and management practices. The service is intended mainly for firms employing between about 100 and 1,000 employees in metal working and assembly, which are activities common to many industrial sectors, but a few schemes for specific sectors may be included. The service aims to cover some 700 firms in the first two years at an estimated cost of £1·75 million. After review it may be extended. *Hansard*, 4.5.77. written answers, col 177-8.

*Plastics Materials.* COI FSI/23.

*Agriculture in Britain.* COI R5961.

*The Royal Agricultural Show and the National Agricultural Centre.* COI SN5734.

*Rabies (Importation of Dogs, Cats and Other Mammals) (Amendment) Order 1977.* This Order strengthens the import controls imposed by the 1974 Order. HMSO, 25p. ISBN 0 11 070361 8.

*Agreement Establishing the International Fund for Agricultural Development.* Cmnd 6787. HMSO, 50p. ISBN 0 10 167870 3.

*Protocols for the Third Extension of the Wheat Trade Convention and Food Aid Convention constituting the International Wheat Agreement 197?.* Cmnd 6742. HMSO, 35p. ISBN 0 10 167420 1.

*Liquor Licensing Statistics for England and Wales 1975.* The report discloses that the number of on-licensed premises, which are authorised to sell intoxicating liquor for consumption on or off the premises, in England and Wales in 1975 was 82,310, an increase of 1,333 compared with 1974. There were 64,261 public houses, an increase of 794; and 31,644 off-licensed premises, an increase of 1,142. The number of licensed and registered clubs was 27,733, about the same as in 1974. Copies of the report are obtainable, price £3, from the Home Office, 53 (General Section), Room 1813, Tolworth Tower, Surbiton, Surrey.

*Wave Power.* A review of the research and development programme on extracting energy from sea waves (see p 230, 1976) conducted by an inter-departmental committee, found that progress was 'very encouraging' and that higher expenditure would be justified. The committee recommended that expenditure on the first stage of the programme (which has been extended until October 1978) should be increased from £1 million at January 1976 prices to £2·5 million at January 1977 prices, and this has been accepted by the Government. *Hansard*, 5.4.77, written answers, col 392.

*District Heating combined with Electricity Generation in the United Kingdom.* A report prepared by the District Heating Working Party of the Combined Heat and Power Group. Energy Paper No 20. Department of Energy. HMSO, £3·75. ISBN 0 11 410603 7.

*Water Data 1975.* Department of the Environment Water Data Unit. Second of an annual series which brings together some of the principal data on water, particularly on water supplies and resources. HMSO, £4·75. ISBN 0 11 751022 X.

*London Tidal Flood Warning System.* The arrangements for giving Londoners advance warning of probable flooding from tidal swings in the Thames are to be improved. As from August 1977 the public will be given an alert four hours ahead of expected flooding in addition to the one hour warning sirens which operate in the risk areas. *Hansard*, 6.4.77, written answers, cols 534-5, and Ministry of Agriculture, Fisheries and Food press release No 124, 6.4.77.

*Inland Transport in Britain.* COI R5633.

*Transport Statistics, Great Britain 1965-75.* HMSO, £5·50. ISBN 0 11 550432 X.

*National Freight Corporation. Report and Accounts 1976.* Available free from the NFC, Argosy House, 215 Great Portland Street, London W1N 6BD.

*Speed Limits.* Following consultations on the temporary speed limits (see p 487, 1976), the Government announced on 6 April that from 1 June 1977 speed limits (outside built-up areas) for single carriageways would be fixed at 60 mph (97 km/h) instead of 50 mph (80 km/h) as at present, and for dual carriageway roads would be restored to 70 mph (113 km/h) instead of 60 mph as at present, except where lower limits were

required for safety reasons. *Hansard*, written answers, cols 519-20.

*Transfer of Air Traffic from Heathrow to Gatwick.* The Secretary of State for Trade announced in the House of Commons on 5 April that the Government had decided that some air traffic would have to be transferred from Heathrow to Gatwick to avoid serious congestion at Heathrow and to ensure that Gatwick's new facilities (see p 370, 1975) were more extensively used. Accordingly, from 1 April 1978 no whole plane charter services of British and overseas airlines would have access to Heathrow and further action was planned to contribute to the establishment of a viable network of scheduled services from Gatwick. Decisions on the long-term expansion of the London airports, including the possible development of airports outside south-east England, would be taken in the light of the consultations on airport strategy (see p 302, 1976 and p 497, 1975), which were nearing completion. *Hansard*, written answers, cols 392-4.

*Concorde Noise Levels.* Report of a Working Group of the Noise Advisory Council. HMSO, 50p. ISBN 0 11 751145 5.

*Noise Data from the First Year of Scheduled Concorde Operations at Heathrow Airport, London.* Paper number 77007, published by the Civil Aviation Authority, Space House, 43/59 Kingsway, London WC2B 6TE. £5. ISBN 0 86039 040 3.

## Social and Cultural Affairs

*The Royal Commission on Legal Services: Report on Progress, April 1977.* For the commission's terms of reference see p 100, 1976. Cmnd 6770. HMSO, 50p. ISBN 0 10 167700 6.

*Draft Convention between the United Kingdom . . . and the United States of America providing for the Reciprocal Recognition and Enforcement of Judgments in Civil Matters.* Text initialled on 26 October 1976. The convention has not been signed, and is subject to ratification. Cmnd 6771. HMSO, 25p. ISBN 0 10 167710 3.

*Prevention of Rabies in Britain*, COI, SN6012.

*Reciprocal Health Agreement between Britain and the German Democratic Republic.* Under an agreement signed in East Berlin on 14 April, British people visiting the German Democratic Republic will be able to get urgent medical treatment free except any arising from road accidents where charges are made. The agreement also provides for the exchange of visits by medical experts from both countries. Department of Health and Social Security press notice, 15.4.77.

*Supplementary Convention on Social Security between the United Kingdom . . . and the Republic of Austria.* The convention entered into force on 1 February 1977. Cmnd 6760. HMSO, 35p. ISBN 0 10 167600 X.

*Working Together for Children and their Families.* Report of a project in south Wales by the Social Work Service Development Group of the Department of Health and Social Security at the request of the Welsh Office. Operated as a joint exercise between these two bodies and South Glamorgan County Council, its purpose was to bring together the personal social services and the education services with a view to improving provision for children with special problems and needs. HMSO, £3. ISBN 0 11 320273 3.

*Occupational Pensions Board. Annual Report for 1976.* HMSO, 45p. ISBN 0 10 231077 7.

*Mentally Handicapped Children: A Plea for Action.* Available free of charge from National Development Group for the Mentally Handicapped, Room C411, Alexander Fleming House, Elephant and Castle, London SE1 6BY.

*Statistics of Education. 1975, Volume 2: School Leavers, CSE and GCE.* England and Wales. HMSO, £4·25. ISBN 0 11 270429 8.

*The West Indian Community. Report from the Select Committee on Race Relations and Immigration. Session 1976-77. Vol 3. Evidence and Appendices to the Minutes of Evidence.* HMSO, £6·10. ISBN 0 10 280977 1.

*Accommodation for Gipsies.* A report on the working of the Caravan Sites Act 1968. The report's author, Mr John Cripps, Chairman of the Countryside Commission for England and Wales, puts forward for consideration by the Secretary of State for the Environment and the Secretary of State for Wales proposals for new administrative and financial arrangements designed to increase provision of authorised sites for gipsy caravans in England and Wales. HMSO, £1. ISBN 0 11 751144 7.

*Inner Area Studies.* Two further reports have been published as part of the Lambeth Inner Area Study: *Second Report on Multiple Deprivation* (£1·10), and *Local Employers' Study* (£1.30). Available from the Department of the Environment, Room P2/127, 2 Marsham Street, London SW1P 3EB.

*Countryside Commission.* Ninth report, 1975-76. HMSO, £2·65. ISBN 0 10 224277 1.

*Historic Buildings Council for Scotland.* Report for 1975-76. HMSO, 90p. ISBN 0 10 223077 3.

*Sports Councils' Grants.* Subject to parliamentary approval, the Sports Council (for England), the Sports Council for Wales and the Scottish Sports Council will receive Government grant-in-aid totaling £14·7 million in 1977-78. *Hansard*, 4.4.77, written answers, cols 308, 314 and 331.

*Quadraphonic Broadcasts.* A year of experimental quadraphonic radio broadcasts has been launched by the BBC. The broadcasts are claimed to be the first of their kind in the world and rely on the *Matrix H* system developed by the BBC Engineering Research Department. BBC press notice, 12.4.77.

# INDEX

*April—May 1977*


Britain's trade within the European Community in 1976, 164
British aerospace, 193
British aid statistics 1975, 168
British nationality law, 181
Broadcasting, future of, 170
Budget 1977-78, 152
By-elections, 180

Canada, Prime Minister's visit to, 149
Chrysler UK Ltd, Government and, 166
Commonwealth Education Conference, 150

Defence, 146, 191
Direct elections to the European Assembly, 179

East-West relations, 187
Egypt, Foreign and Commonwealth Secretary's visit to, 190
European Community, 146, 164, 179, 184

Falkland Islands, 191
Foreign and Commonwealth Secretary's visit to Egypt and Syria, 190

Health, 201

Immigration, 170
India, 150
International Monetary Fund, 192

Legislation, recent, 144

Metrication, 198

National income and expenditure, 163
New towns and inner cities, 202

Offshore oil and gas, 194

Parliament, 143
Prime Minister's visit to the United States and Canada, 149

Rhodesia, 189
Road safety, 198

Shorter notes, 150, 191
Steel industry, capital investment in, 167
Syria, Foreign and Commonwealth Secretary's visit to, 190

United States, Prime Minister's visit to, 149



© *Crown copyright 1977*



Printed in England by Richard Madley Ltd
and published by
HER MAJESTY'S STATIONERY OFFICE
60p net
*Annual subscription including indices and postage £9·28*
G7029 Dd. 520552 1,000 MAY/77 1976
ISBN 0 11 724128 8 Vol. 7 No. 5